

By Mr. GORMAN: Memorial of St. Joseph's Men's Society, of St. Martin's Parish, and 19 other societies of the third congressional district of Illinois, favoring passage of bill to prohibit export of war material; to the Committee on Foreign Affairs.

Also, petition of the Chicago (Ill.) Teachers' Choir and Rev. M. P. F. Dovermann and 36 others, citizens of the third congressional district of Illinois, favoring passage of House joint resolution 377, to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. GRAHAM of Pennsylvania: Memorial of Italian Protective Association of Westmoreland County, Pa., protesting against the immigration bill in its present form; to the Committee on Immigration and Naturalization.

Also, memorial of citizens of Mankato and vicinity, favoring bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. GRAY: Petition of Thomas L. Walker and 107 others, of Hancock County, Ind., relative to the freedom of the press; to the Committee on the Post Office and Post Roads.

By Mr. HENSLEY: Petitions of sundry citizens of Longtown, and J. L. Dittenbaugh and others, of Chilton, Mo., favoring passage of bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. IGOE: Petitions and letters filed by George M. Burkarth, Gerhard Wellman, John Hofses, B. Fahrenhorst, Henry Lorenz, Joseph Reb, John Ollinger, Dr. G. L. Mueller, Dr. G. Moser, the German Theater Society, and others, favoring the Vollmer and all similar resolutions which would prohibit the exportation of arms and munitions of war to belligerent nations during the pending and future wars; to the Committee on Foreign Affairs.

By Mr. KELLY of Pennsylvania: Petition of citizens of Allegheny County, Pa., protesting against interference with freedom of the press; to the Committee on the Post Office and Post Roads.

By Mr. KENNEDY of Rhode Island: Petitions of Joseph E. Donahoe and James R. Walsh, of Providence, R. I., protesting against the treatment of Catholics in Mexico; to the Committee on Foreign Affairs.

By Mr. McCLELLAN: Petition of Charles E. Everett and 65 others, protesting against exportation of war material from United States; to the Committee on Foreign Affairs.

By Mr. MAHAN: Petitions of citizens of Norwich, Conn., and vicinity, favoring passage of bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. MOORE: Memorial of Italian Protective Association, of Westmoreland County, Pa., protesting against the Burnett-Dillingham immigration bill (H. R. 6060); to the Committee on Immigration and Naturalization.

By Mr. PAIGE of Massachusetts: Evidence in support of House bill 21135, for the relief of Sarah A. Foss Farnsworth; to the Committee on Invalid Pensions.

By Mr. REILLY of Connecticut: Memorial of St. Kazimiers Society, No. 389, of Meriden, Conn., protesting against the passage of the immigration bill in its present form; to the Committee on Immigration and Naturalization.

Also, petitions of Lyric Singing Society and German-American Alliance, of Meriden, Conn., favoring passage of bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. SABATH: Memorial of Polish National Alliance Associations of Chicago, Ill., protesting against the passage of the Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. J. M. C. SMITH: Protest of L. C. Cutler and 224 citizens of Bloomingdale, Mich., against Fitzgerald amendment to Post Office appropriation bill; to the Committee on the Post Office and Post Roads.

Also, protest of George H. Abell and 19 citizens of Battle Creek; Charles R. Gorman, of Kinderhook; Mrs. Golda F. Hume, of Eaton Rapids; S. H. Dolph, of Litchfield; Elmer Losey, of Waldron; J. F. Bradley, of Hillsdale; E. E. Baughman, of Vicksburg; Nelson H. Barber and 61 citizens of Kalamazoo, all in the State of Michigan, against Fitzgerald amendment to Post Office appropriation bill; to the Committee on the Post Office and Post Roads.

By Mr. VOLLMER: Petitions of 1,224 American citizens, favoring House joint resolution 377, to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. WALLIN: Petitions of Staatsverbund, of Schenectady, and citizens of Amsterdam, N. Y., favoring bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. YOUNG of North Dakota: Petition of St. John's Benevolent Society, of Wahpeton, N. Dak., against export of arms; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, January 26, 1915.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, Thou art the one God whose glory filleth all the earth. Thou dost from Thy throne behold all the dwellers upon earth. Thou dost fashion their hearts alike. We thank Thee that beneath all the storm and stress of time there is in the great human heart the common interest and passion of the common brotherhood, for Thou dost link us all together by the common interests of life. Thou dost speak to us not only from sea to sea but through all the spaces of all the ages. Through all the immense range of God's eternal kingdom Thou dost speak to Thy children upon earth. Thou dost bid us come into harmony with Thyself. Thou dost covenant with us and lead into peace and into eternal happiness.

Grant us grace to follow Thy divine commandments. May Thy presence go up with us this day into the duties that are before us. May Thy blessing abide with us and with all the people. For Christ's sake. Amen.

Mr. CLAPP. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Norris	Smith, Ga.
Borah	Hardwick	O'Gorman	Smoot
Brady	Hitchcock	Oliver	Stephenson
Bristow	Hollis	Overman	Sterling
Bryan	James	Page	Stone
Burleigh	Johnson	Perkins	Sutherland
Burton	Jones	Pomerene	Swanson
Catron	Kenyon	Ransdell	Thomas
Chamberlain	Kern	Reed	Thompson
Chilton	La Follette	Robinson	Thornton
Clapp	Lee, Md.	Saulsbury	Tillman
Clark, Wyo.	Lodge	Shafroth	Townsend
Culberson	McCumber	Sheppard	Vardaman
Cummins	McLean	Sherman	Walsh
Dillingham	Martin, Va.	Shields	Weeks
du Pont	Martine, N. J.	Shively	White
Fletcher	Myers	Simmons	Williams
Gallinger	Nelson	Smith, Ariz.	Works

Mr. CHILTON. I wish to announce that the Senator from New Mexico [Mr. FALL] is detained by serious illness in his family. I will let this announcement stand for the day.

The VICE PRESIDENT. Seventy-two Senators have answered to the roll call. There is a quorum present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (S. 2337) to create the Coast Guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service, and it was thereupon signed by the Vice President.

THE JOURNAL.

The VICE PRESIDENT. The Secretary will read the Journal of the proceedings of the preceding session.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Friday, January 15, 1915.

Mr. FLETCHER. I ask unanimous consent that the reading of the Journal be dispensed with.

Mr. GALLINGER. I object.

The VICE PRESIDENT. There is objection. The Secretary will read the Journal.

The Secretary resumed the reading of the Journal, and after having read for some time,

Mr. LODGE. Let the Journal be read. I ask that the Journal be read.

The VICE PRESIDENT. The Chair supposed the Secretary was reading the Journal.

The Secretary resumed the reading of the Journal, and after having read for some time,

Mr. STONE. Mr. President, if it is in order, to avoid further waste of the valuable time of the Senate, when it is especially desired to transact morning business, I ask that the further reading of the Journal be dispensed with.

Mr. GALLINGER. This is formal morning business, and I object.

Mr. STONE. I simply wanted to test the filibustering spirit of the other side.

The Secretary resumed and concluded the reading of the Journal, and it was approved.

CREDENTIALS.

Mr. BORAH presented the credentials of JAMES H. BRADY, chosen by the electors of the State of Idaho a Senator from that State for the term beginning March 4, 1915, which were read and referred to the Committee on Privileges and Elections.

ENROLLED BILLS SIGNED.

The VICE PRESIDENT announced his signature to the following enrolled bills, which had previously been signed by the Speaker of the House:

S. 6121. An act to authorize the construction of a bridge across the Niagara River, in the town of Lewiston, in the county of Niagara and State of New York; and

H. R. 19076. An act to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

DISTRICT OF COLUMBIA APPROPRIATIONS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 19422) making appropriations for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1916, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MARTIN of Virginia. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SMITH of Maryland, Mr. LEA of Tennessee, and Mr. GALLINGER conferees on the part of the Senate.

REPORT OF PANAMA RAILROAD CO. (H. DOC. NO. 1520).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Senate and House of Representatives:

I transmit herewith, for the information of the Congress, the Sixty-fifth Annual Report of the Board of Directors of the Panama Railroad Co., for the fiscal year ended June 30, 1914.

WOODROW WILSON.

The White House, January 25, 1915.

Mr. BURTON. May I ask what disposition is to be made of that report? Is it to be printed?

The VICE PRESIDENT. It appears that it has been printed.

Mr. BURTON. It has already been printed?

The VICE PRESIDENT. And the Chair presumes it will be referred to the Committee on Inter-oceanic Canals.

Mr. BURTON. So that copies will be available for Members of the Senate?

The VICE PRESIDENT. That is a query that the Chair can not answer. It ought to go to the Committee on Inter-oceanic Canals, and if there are no copies and it is desirable to have them a report to that effect can come from the committee.

The copy submitted seems to have been printed in New York.

Mr. BURTON. I trust a sufficient number will be available for the use of Members of the Senate.

Mr. NORRIS. Mr. President, let me make a suggestion to the Senator from Ohio. This print has not been made by order of the Senate, and Members of Congress will not be able to get copies of it unless they can get them from the corporation in New York. If Senators desire it to be printed, it ought to be ordered printed. I would suggest that in addition to referring the report to the committee that it be ordered printed, so that copies of it may be available.

The VICE PRESIDENT. The Chair does not think the Chair has authority to order the report printed.

Mr. SMOOT. I will state, Mr. President, that under the law the committee has the right to have printed a thousand copies. If more than a thousand copies are desired, of course there can be an order of the Senate to that effect.

Mr. NORRIS. There is not any doubt but that a thousand copies will be sufficient; but the committee will not have authority to make that order unless some step is taken by the Senate.

Mr. SMOOT. Oh, yes; under the law they have the right to have printed a thousand copies.

Mr. NORRIS. Of the Panama Railroad Co.'s report?

Mr. SMOOT. Of any document that they desire, when it is for the use of the committee.

Mr. NORRIS. But this is not a Senate document.

Mr. SMOOT. I am perfectly aware of that.

Mr. NORRIS. It is not a public document. It is simply the report of the Panama Railroad Co., like the report of any other corporation.

Mr. SMOOT. It is not a Senate document, but it is a public document.

Mr. NORRIS. No; I beg the Senator's pardon.

The VICE PRESIDENT. The Chair would suppose that, like every other document, it would go to the committee, and if they want to have it printed they can order it.

Mr. FLETCHER. Mr. President, last year the report was referred to the Committee on Printing, and it was reported favorably and ordered printed as a Senate document. I quite agree that the committee to which the report is referred can order it printed, if it desires, up to a thousand copies; but the practice has been, I think, for the Senate to order it printed as a public document. I know that was done last year.

The VICE PRESIDENT. Perhaps the Chair can settle this matter, if agreeable to the Senators. This report contains illustrations. The communication and accompanying report will be referred to the Committee on Printing. If there is no objection, it will be so ordered.

THE AMERICAN EPHEMERIS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, transmitting, in response to a resolution of July 17, 1914, a supplementary report of the cost of preparing the American Ephemeris and Nautical Almanac, which, on motion of Mr. JONES, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of Labor requesting, pursuant to law, that authority be granted for the disposition of an accumulation of papers which are not needed or useful in the transaction of current business of the Department of Labor and which have no permanent value or historical interest. The communication will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, and the Chair appoints the Senator from Vermont [Mr. PAGE] and the Senator from Oregon [Mr. LANE] members of the joint committee on the part of the Senate. The Secretary will notify the House of Representatives of the appointment thereof.

The Chair lays before the Senate a communication from the Secretary of Commerce, transmitting, pursuant to law, a list of papers and documents which are not needed or useful in the transaction of current business of the Department of Commerce and have no permanent value or historical interest. The communication and accompanying paper will be referred to the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, and the Chair appoints the Senator from Vermont [Mr. PAGE] and the Senator from Oregon [Mr. LANE] members of the joint committee on the part of the Senate. The Secretary will notify the House of Representatives of the appointment thereof.

MILITARY ESTIMATES (S. DOC. NO. 718).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of the 11th instant, a report on the estimate prepared by the General Staff of the Army before the European war on the equipment requisite for a mobile army of approximately 400,000 men in time of war, which, on motion of Mr. LODGE, was, with the accompanying papers, referred to the Committee on Military Affairs and ordered to be printed.

OCEAN TRANSPORTATION RATES.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of December 18, 1914, a further statement relative to the increase in rates for ocean transportation since July 1, 1914, and other facts relating to ocean transportation which adversely affect American commerce.

Mr. FLETCHER. Mr. President, I move that the communication and accompanying statement be printed in the Record and that it also be printed as Part 2 of Senate Document 673, to the limit of \$500, for the use of the Senate document room. I do not know how many volumes that would give, but that is the limit the Senate can provide by resolution, and I think perhaps that will supply the number required. I do not know positively.

Mr. SMOOT. May I ask the Senator what is the subject matter of the letter?

Mr. FLETCHER. It is a letter from the Secretary of the Treasury and the Secretary of Commerce in response to a

Senate resolution. I should like to have the Secretary state what it is.

The Secretary read as follows:

On the 26th of December we transmitted to the Senate, in pursuance of its resolution of December 18, 1914, a preliminary report concerning the increases in rates for ocean transportation since July 1, 1914, and other facts. We now have the privilege of submitting a further statement, as then promised.

Mr. FLETCHER. The report is made in pursuance of a Senate resolution dated December 18, which I can read if the Senator desires.

Mr. SMOOT. No; I do not wish to take up the time of the Senate. I simply wanted to ask the Senator whether it would be necessary to put all the matter in the RECORD and also to have it printed as a public document.

Mr. FLETCHER. I think it is. It is very important. It comes from official sources and gives information on matter pending before the Senate. I think it ought to be accessible to all Senators, and for that reason I think it ought to go into the RECORD and also to be printed as a document.

Mr. SMOOT. If it were printed as a public document, every Senator could get it, and get it easier and handle it easier than to have it in the RECORD. I do not see why it should be printed in the RECORD and also as a public document.

Mr. FLETCHER. I think it ought to be printed in the RECORD, not only for the benefit of Senators but because it is information of great public interest and importance.

Mr. SMOOT. Of course it is on the pending legislation, and therefore I shall not object to the request of the Senator; but I do not believe it is a good thing, and I do not think it ought to be done.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, January 25, 1915.

To the PRESIDENT OF THE SENATE.

SIR: On the 26th of December, 1914, we transmitted to the Senate, in pursuance to its resolution of December 18, 1914, a preliminary report concerning the increases in rates for ocean transportation since July 1, 1914, and other facts relating to ocean transportation which adversely affect American commerce. We now have the privilege of submitting a further statement, as then promised.

Since our previous report numerous letters have been received by the Treasury Department and the Department of Commerce from American business men and manufacturers engaged in the export trade, which show clearly the extraordinary increase in ocean freight rates since the outbreak of the European war, the scarcity of tonnage now prevailing, and the serious effects of the high freight rates and scarcity of tonnage upon our export trade.

SERIOUS COMPLAINTS OF AMERICAN EXPORTERS AND MANUFACTURERS.

The following excerpts are made from said letters, the originals being attached hereto and marked "Exhibits 3 to 74":

Garcia & Maggini Co., general commission merchants, San Francisco, Cal., January 5, 1915:

"We beg to say that we ourselves have shipped in the last two months 500 or 600 tons of dried fruit to New York, through the canal of Panama, for reshipment to Scandinavian ports and also to Holland.

"To a great extent, these goods have been in New York for a long time, for the reason that our forwarding agents, Messrs. C. B. Richards & Co., could not get any space.

"Besides, freight rates have advanced over 300 per cent since the war broke out, and lately, and within 15 days, freights have advanced fully 100 per cent.

"It seems that whenever the Scandinavian American Line are asking higher freight rates, other lines do so too, and now even the Holland American Line is asking 100 shillings per 2,240 pounds, while only a few days ago this company asked 45 shillings per 2,240 pounds.

"These advances in freight rates are made without notice, and even previous engagements have not been protected, so that the shippers instead of making a small profit on their sales to European countries are losing money."

William Haas & Sons, manufacturers and exporters of "D" shovel handles, Houston Heights, Tex., December 28, 1914:

"For years our entire output has been disposed of abroad, but owing to the present prohibitive tariffs in ocean transportation we are unable to deliver our goods, consequently our plant will remain closed down until such rates are established as will enable us to market our goods. . . . In our judgment a Government merchant marine will solve the problem."

Charles E. Moore, president, Leaf Tobacco Association, Baltimore, Md., December 28, 1914:

"I desire to file with your department an urgent protest against the unwarranted advance in freight rates on tobacco as recently established by the Holland American Line. Some of our exporting members shipping to Holland points have signed contracts with this company, expiring December 31, 1914, for a rate of \$3.50 per hoghead of tobacco. This contract has been disregarded entirely and the rate increased first to \$5.25, then to \$6.85, and to-day a notice that it will be \$7.50 until further notice. This, I repeat, in the face of the written contract for \$3.50 per hoghead."

Gano, Moore & Co., coal, coke, iron, steel ores, Philadelphia, Pa., December 28, 1914:

"The shortage of vessels is so serious now that it is practically stopping the exportation of coal. We have several orders for coal, principally to South American ports, and it is impossible to secure vessels."

Coplay Cement Manufacturing Co., manufacturers of Saylor's Portland cement, New York, N. Y., December 28, 1914:

" . . . It has been our experience that the rates have advanced so rapidly that our shipments have been practically suspended, due to the two facts above mentioned—scarcity of ships and increase in freight rates.

"Before the month of July, 1914, shipments of Portland cement to the Argentine Republic and Uruguay were possible at \$2.45 per ton; to Rio de Janeiro, Brazil, \$3.60 per ton. These rates were advanced the early part of August 50 per cent, were subsequently reduced so that the advance was equivalent to 25 per cent for the July rates, and these rates have advanced since the latter part of September until now they are \$6 per ton to Rio by some lines and \$8.50 per ton by other lines; \$6 per ton to the Argentine Republic; and notwithstanding these high rates there is no possibility of obtaining ships, transportation, or accommodation for our product. . . .

"We have experienced a great deal of trouble with the steamship companies in arranging freights, all of them claiming they do not want to carry cement at any price."

American Tripoli Co., "Tripoli" flour, Seneca, Mo., December 28, 1914:

"We have an offer of some orders from Barcelona, Spain, and the first two of the attached letters refer to our effort to get quoted a rate from New Orleans to Barcelona; and you will see that the steamship company operating steamers to Barcelona refused to quote rates at all. In the first letter the reason given was that other commodities which permit of a higher rate are being carried, so that our material, which must have a lower rate, is not at all desirable, and they even refuse to quote rates at all. . . . The fourth letter, dated December 18, quotes us a rate of 49 cents per 100 pounds from New Orleans to Havre, France, and for comparison, will say that just previous to the European war, on July 3, 1914, we made a shipment at the rate of 18 cents per 100 pounds, a little more than one-third of the rate now asked. This high rate is, of course, prohibitive on a commodity such as ours."

David C. Reid, ship broker, New York, N. Y., January 4, 1915:

"The question of getting tonnage at the present time for transatlantic business is practically impossible. I have offered by cablegram up to 10/3 Government form per dead-weight ton and was refused by my London correspondents, who state that much higher offers must be made before tonnage can be procured. Under ordinary circumstances, these tramp steamers I made the offers for in good faith, could be secured at 3 shillings per dead-weight ton. Conditions with us are almost impossible. Tonnage is unobtainable at almost any, except the most extraordinary and prohibitive terms. I speak now of the cargo steamer for the general carrying tramp-steamers trade."

Strohmeier & Arpe Co., importers and commission merchants, New York, N. Y., December 26, 1914:

"A short time ago we shipped some powdered cocoa to our friends in Denmark. When again, a short time thereafter, we had occasion to ship the same commodity, the freight charges amounted to about 280 per cent higher, and upon remonstrance with the steamship company, we were told that this was the lowest rate that could be figured, and since then the steamship company has notified us that the next shipment will be charged a higher rate of freight."

Inman, Akers & Inman, Atlanta, Ga., December 28, 1914:

"We are paying ocean freight from Savannah to Rotterdam and to Bremen of \$2, \$2.25, to \$3 per hundredweight. Formerly the rates to these places were about 35 cents per hundredweight on cotton."

W. B. Cooper & Co., cotton merchants, Wilmington, N. C., December 31, 1914:

"Please allow us to indorse the action of the administration in trying to secure boats for the movement of American products. We are frank to say that as a general proposition we are not anxious to see the United States Government get into too many lines of business, but when 3 cents per pound or more is to be paid freight on cotton across the water against 35 cents per hundred pounds six months ago, it is time something should be done, in our opinion."

(3 cents per pound equals \$15 per bale; 35 cents per hundredweight equals \$1.75 per bale.)

H. Frank Darrow, New York, N. Y., December 29, 1914:

" . . . I am a large exporter of grass seed, and in former seasons I have paid from 35 to 50 cents per 100 pounds on the French Line sailing from New York to Havre, while on steamship Chicago, sailing tomorrow, the 29th instant, I have been compelled to pay \$1.50 per 100 pounds ocean freight, which I consider is prohibitive to the export trade."

Frank F. Fee, president Fee-Crayton Hardwood Lumber Co., Dermott, Ark., December 28, 1914:

" . . . It is now a serious menace to our business by reason of our inability to get reasonable and in some cases our inability to get any ocean rates on our production of hardwood lumber. We usually ship through the port of New Orleans to British and continental ports. The writer has been to New Orleans personally and is informed by the steamship agents that they are receiving a tonnage of cotton and wheat and other commodities for the belligerents at such high rates and at such easier loading and unloading that they make tremendous profits for their vessels, and they do not want to take lumber tonnage. We can say that we have before us inquiries for many carloads of lumber which could be shipped immediately provided reasonable rates could be had. . . .

"Further, one of the steamship agent's commission for a single month was \$25,000 for the month. We trust that there is some way in which our National Government can arrange whereby lumber traffic can be resumed at something like a reasonable rate."

T. F. Jennings, hardwood manufacturer, Marianna, Fla., December 28, 1914:

"I am exporting hickory lumber in bundles to Christiania, Norway, and freight rates have become so exorbitant that it is almost out of the question to ship. . . . Now I am compelled, under the circumstances, to shut down my business if this can not be rectified."

Funch, Edye & Co., steamship agents and ship brokers, in a letter to T. F. Jennings, Marianna, Fla., December 14, 1914, state: "We have no room to offer prior to the steamship United States, March 11."

J. McD. Price, secretary National Lumber Exporters' Association, Baltimore, Md., December 30, 1914:

" . . . I take the liberty of calling your attention to the enormous and what appear to be unreasonable increases in ocean rates on lumber and other forest products which have been made by the steamship companies since the outbreak of war. . . . To many of the ports steamship lines refuse to quote rates at all, as they claim that more tonnage is being offered than they can take care of."

M. B. Nelson, general sales manager, the Long-Bell Lumber Co., Kansas City, Mo., December 29, 1914:

"I inclose a quotation from ship brokers issued under date of December 26, showing rates have advanced more than 300 per cent. * * * We now have in pile at port a little over 9,000,000 feet of lumber, or an approximate value of \$280,000, all of which is deteriorating and could be disposed of if shipping facilities would permit."

"There are many others in the same condition as ourselves, and we sincerely hope you can do something to relieve the situation."

Alphonse Weil & Bros., New York, N. Y., December 26, 1914:
"We intended to ship a large quantity of oats to the other side, but were prevented from doing so on account of the rate of freight advancing from 4s. per bushel to 6s. 6d. We are told that the reason of this advance is due to the fact that there are very few vessels available at the present time."

Pittsburgh Provision & Packing Co., Pittsburgh, Pa., December 30, 1914:

"We are exporters of provisions, etc., to Hamburg, Germany, Rotterdam, Holland, London and Liverpool, England. Early in 1914 we signed contracts covering rates on export freight to London and Liverpool, via Atlantic Transport Line and White Star Line from New York, with J. D. Roth, general western freight agent of the above-named lines, in which we are named ocean rate of 20s. less 5 per cent per gross ton. These rates have been raised 10s. per gross ton since the beginning of the war, they claiming that their steamers are operating under greatly increased expenses. * * * At present it is almost impossible to obtain booking for London and Liverpool, the steamship company claiming that they are booked ahead."

Chattanooga Wheelbarrow Co., Chattanooga, Tenn., December 26, 1914:

"We have been endeavoring for about a month to get a shipment through some of the Atlantic or Gulf ports for shipment to Bristol or Liverpool. * * * We are still holding this carload trying to get booking through some of the various steamship companies, and in this connection would state, we have three more cars which we want to get out early in the year, provided we can get them handled from port."

H. F. Hellman, Treasurer, Levi Smith (Ltd.), Clarendon, Pa., December 31, 1914:

"We have had 390 barrels lubricating oil at Baltimore since last week in September and first week in October for immediate shipment, which are just now loading. We can not prosper and retain our patronage when shipments are held up three months before forwarding, besides the steamship company presented a bill the other day of \$51.96 for demurrage charges accruing on this shipment while lying at Baltimore pier, which is a gross injustice. We have not been at fault in the least that goods have not gone forward. * * * Our export business with foreign countries has been quite heavy in past years, and Rotterdam was one of our principal ports, and generally made contracts with the Holland-American Line, at Baltimore, to cover all our shipments to this port during the year. When our contract expired in 1913 we did not think it wise to renew same at the then high rates, and held back, preferring to ship on the open market, but in March the Holland-American Line insisted on us closing a contract for the year 1914, or else pay the highest open market rate, making a difference of about 4 cents per hundredweight at that time, and, with great reluctance, we finally consented to cover our shipments to this port by another contract for the year. * * * Also, inclose copy herewith of their letter to us, dated November 4, notifying us of disregarding that contract and asking an advance of 50 per cent. * * * This contract rate was 22 cents per hundredweight for the year, whereas their latest advice (a few days ago) the rate had advanced for shipments of this commodity to Rotterdam to 70 cents per hundredweight, which is simply outrageous."

Brown & Adams, wool commission merchants, Boston, Mass., December 30, 1914:

"We have been unable to make shipments wool from Buenos Aires to Boston or New York since December 15. Very little chance securing freight room for next 30 days account scarcity of vessels. Have over \$6,000 worth waiting shipment already paid for. Freight rates when available about 150 per cent increase over last year."

Ike Manheimer, green and dried apples, Rochester, N. Y., December 28, 1914:

"In connection with the Scandinavian American Line out of New York (Messrs. Funch, Edye & Co., agents), I have had so much trouble in securing space to Copenhagen and in getting the goods on board steamer, even after the space had been promised, that I was compelled to stop selling goods to Copenhagen. * * * The freight on fresh apples in barrels is almost equal to the value of the apples, and practically prohibitive."

"The Norwegian American Line (Messrs. Benham & Boyesen, agents) has until recently given me very satisfactory service out of New York to points in Norway. * * * but has now also advanced the rates to the above maximum quotations and notified me within a short time that no space is available until next April."

American Vulcanized Fiber Co., Wilmington, Del., December 28, 1914:

"* * * We have been experiencing considerable trouble in obtaining space on steamers going to Scandinavian countries. For example, we have been informed by the Scandinavian American Line that no space can be had on any of their steamers until the middle of March and April. * * * It seems to us that the shipping interests are taking advantage of the present disturbed times, which naturally will tend to hurt the American foreign trade."

American Glue Co., Boston, Mass., December 30, 1914:

"Within the past few days, having a shipment of merchandise to export from this port to Liverpool, we were informed by the carriers that they could not handle same at all, on account of having more freight than they could handle."

E. P. McBurney, vice president Empire Cotton Oil Co., Atlanta, Ga., December 28, 1914:

"* * * This company is experiencing considerable trouble in booking shipments of cotton-seed meal, cake, and linters to foreign ports. * * * In fact, the result of our inquiries along this line principally develops that shipowners have restricted their vessels, almost exclusively, to cotton by charter or at very high rates, one of my informants placing the charter price at \$12 per bale."

Phoenix Iron & Steel Co., Galveston, Tex., December 28, 1914:

"* * * We are shippers of old rails and scrap iron and steel. * * * Steamship companies now either quote abnormal freights or refuse to quote at all, so it is impossible to ship any material, as the freights in some cases amount to three-fourths of the delivered price of the commodity."

Stengel & Rothschild, tanners and manufacturers of patent leather, Newark, N. J., December 29, 1914:

"* * * We are experiencing considerable difficulties with shipments of our goods to Italy. * * * The normal freight rate for patent leather in cases has been 50s. per ton, with possibly 5 per cent primeage, but we have just been asked a rate of 120s. plus 5 per cent for the same class of freight. This certainly appears to be an exorbitant rate, and anything that can be done to get better shipping facilities will be highly appreciated by the business interests of this country."

L. & E. Frenkel, importers of electric specialties, New York, N. Y., December 31, 1914:

"We procured orders to ship gas coal to Italy, but on account of the high shipping rates we can not ship them."

J. D. Kremelberg & Co., Baltimore, Md., December 26, 1914:

"We are shippers of Maryland, Ohio, Kentucky, and Virginia tobacco to Europe, and most of our shipments are consigned to Holland, Germany, Austria, Italy, Norway, and Belgium. At present only shipments to Holland, Italy, and Norway are possible at prohibitive rates. In fact, the latter have become so high that now cable orders, 'Stop buying,' have been received."

"Although we have made a yearly contract with the Holland American Line—the only shipping opportunity from here to Holland—as per copy inclosed, this line has arbitrarily raised its rates 100 to 300 per cent, and even at the raised rates shipments can be booked for only 'for first available room.'"

"Rates to Italy also have become entirely too high, i. e., from \$4 per hoghead of Maryland tobacco to about \$27, or nearly 3½ cents a pound, so that tobacco shipments have become out of question."

R. M. Bryan, eastern manager of the Black Diamond, New York, December 30, 1914:

"This business (coal industry) has been almost prostrated by the inability of shippers to secure vessels and upon terms that will permit them to make shipments."

McEwen Lumber Co., Azalea, N. C., December 29, 1914:

"Would say that for our part the present rates are practically prohibitive, as they have advanced 10 cents and 15 cents per hundredweight, and in many cases even these rates are not protected except for immediate acceptance and subject to confirmation by steamship lines. * * * It is our information that the steamship companies are giving other tonnage carrying higher freight rates preference, and in some instances are limiting their boats to a certain small amount of lumber tonnage."

Henry Lauts & Co., Baltimore, Md., December 29, 1914:

"The present rates charged by this line (Holland-American Line) are almost prohibitive and are a decided menace to the tobacco export industry of this country."

V. F. Holmes, estate of Victor Holmes, deceased, exporter of zinc oxide, Boston, Mass., December 28, 1914:

"Since the European war situation developed, this business has been very considerably hampered by a number of conditions. Among them the scarcity of freight vessels, exceedingly high rates of exchange, and what is more important, the freight outlook for 1915."

R. R. Dancy & Co., cotton, Houston, Tex., December 26, 1914:

"Last week brokers asked \$17 per bale, freight to Germany (Bremen). Now \$14."

John F. Bush, vice president, Hooker Electrochemical Co., New York, December 28, 1914:

"We have been endeavoring for the past three years to build up an export business on caustic soda. * * * Within the past month we have found a growing impossibility to procure rates which will permit of our moving our product to foreign ports in competition with the English transportation rates. We can not urge too strongly the necessity of procuring proper tonnage to carry commodities seeking a foreign outlet, and this tonnage should be available at once in order to benefit the United States manufacturer."

Industrial Lumber Co., Elizabeth, La., January 5, 1915:

"We have in the past exported considerable lumber to England, Holland, Germany, and some to France. Since the war, however, we have been unable to make any shipments, primarily because of the uncertainty of securing vessels; also on account of the excessive freight rates."

Danforth Geer, president, Walter A. Wood Mowing & Reaping Machine Co., Hoosick Falls, N. Y., January 9, 1915:

"We find, however, that the cost of getting goods to foreign ports and the uncertainty of proper shipping facilities is becoming a great menace, and will have a very serious effect on the business that we have in hand and wish to protect."

"* * * We can not but feel that the steamship companies are taking advantage of present conditions to exact rates which are all out of reason, and which are unjust and unfair."

"* * * It would appear to us that there never was a more opportune time for this country, either under legislative action or private capital, to create a merchant marine, for lack of which, in our judgment, this country has suffered for many years. We can only hope that some measures may be enacted, or some policy created, which will relieve the present situation, and in time to affect our business interests this year."

Meyer Hecht, commission merchant, dealing in skins and hides, New York, December 26, 1914:

"I, too, want to protest that they (steamship lines) are charging me two or three times as much as formerly, and then do not give me room for my shipments."

Dumee, Son & Co., cotton, Philadelphia, Pa., December 29, 1914:

"We wish to enter strenuous protest against the prohibitive freight rates being charged by the trans-Atlantic lines on cotton and cotton linters to European ports. * * * One year ago we paid a rate of 45 and 50 cents per 100 pounds on compressed and uncompressed cotton linters, respectively, from New York to Rotterdam. To-day we are asked \$2.50 and \$3 per 100 pounds."

Justus Rupertl, New York City, January 5, 1915:

"There is lack of freight room, both to and from South America. * * * There are not sufficient neutral steamers in the trade in spite of the high rates of freight to take the cargo from this country and bring it here, and we have constant complaints on that score from our customers in South America."

A. Gross & Co., stearic acid, candles, red oil, and glycerine, New York, December 26, 1914:

"Permit us, please, to lay before you our complaint against the scarcity of ships and the exorbitant rate of freight * * * which seriously handicaps our business. We therefore feel that something should be done by our Government to relieve the present situation."

Gabriel Nachman, wool stock, New York, December 28, 1914:

"We are large shippers of woolen rags * * * steamship companies have advanced their freight rates ½ cent per pound to \$1.10

per 100 pounds; and even at that rate they refuse to take rags; therefore have not been able to ship any for export in over four weeks."

G. Stallings & Co., Lynchburg, Va., tobacco exporters, December 28, 1914:

"There is a considerable scarcity of steamers flying the American or neutral flags, and unless more ships can be put at the disposal of shippers causing a general reduction of ocean freight rates, which are now unreasonable, excessive, and almost prohibitive, the export business of this country is bound to suffer greatly."

A. P. Husband, secretary Millers' National Federation, Chicago, Ill., December 29, 1914:

"We are attaching hereto a tabulated statement of ocean freight rates on flour, published by International Mercantile Marine, from several American ports to London, Aberdeen, and Liverpool. You will note that from July 18 to December 19 the ocean freight rates from all named American ports to ports in United Kingdom advanced over 100 per cent. The sharp advances in ocean freight rates on flour have not been confined to the International Mercantile Marine, however. The Holland-American Line, controlling, as it does, the only available means of transportation to Holland, has increased its rates on flour to a point where it is interfering seriously with the ability of American millers to compete for business in Holland against British millers (who are grinding American wheat). As you are aware the Government of the Netherlands recently reserved to itself a practical monopoly in all foodstuffs. Since that time (in November) a sharp and unprecedented advance in ocean freights will be noted. Not only has this company declined to give millers option on ocean space at a quoted rate when the miller has a bid from Holland, but has, in some instances, advanced the rate to the miller overnight, and the miller, having accepted business at the rate quoted the day before, is forced to take a loss, owing to this arbitrary attitude of the Holland-American Line, which, by the way, is contrary to all precedents, as a miller must have extended to him an option on ocean freight room at a given quotation for a time sufficiently long to cable his foreign correspondent and get a reply."

"Before the creation of a monopoly on foodstuffs by the Government of the Netherlands, however, the Holland-American Line declined to carry flour for which it had contracted (in some instances before the war), and millers were unable to get that company to move large shipments of flour which had been made by millers in good faith."

Markt & Hammacher Co., export agents, New York, N. Y., January 5, 1915:

"We admit and believe that it is necessary under the present trying conditions for the steamship companies to advance their rates to a certain extent, say, 25 per cent or even 50 per cent over normal rates, but when steamship companies are quoting and charging three times the normal rates, and in some instances even four times the normal rates, we feel that it is absolutely an imposition on the part of the steamship companies to demand such freight rates."

Panama Railroad Co., January 15, 1915:

"Our stock (of coal) has been reduced from 90,000 to 40,000 tons, and both the Earn Line and our company are scouring the charter market in the effort to secure sufficient tonnage to carry to the Isthmus the amount of coal it is imperative we should keep there."

ANALYSIS OF COMPLAINTS.

It appears from these statements of our business men and shippers that:

1. Ocean freight rates have been arbitrarily increased to an unparalleled height without regard to the interests of American trade.

(See letters of T. F. Jennings (hardwood manufacturer), Marianna, Fla., Exhibit 10; Fee-Crayton Hardwood Lumber Co., Dermott, Ark., Exhibit 18; Phoenix Iron & Steel Co., Galveston, Tex., Exhibit 21; L. & E. Frenkel (gas coal), New York, Exhibit 23; McEwen Lumber Co., Azalea, N. C., Exhibit 28; Walter A. Wood Mowing & Reaping Machine Co., Hoosick Falls, N. Y., Exhibit 34; H. Frank Darrow (grass seed), New York, Exhibit 36; Stengel & Rothschild (leather), Newark, N. J., Exhibit 39; Garcia & Maggini Co. (fruits), San Francisco, Cal., Exhibit 42; William Haas & Sons (shovel handles), Houston Heights, Tex., Exhibit 43; Coplay Cement Manufacturing Co., New York, Exhibit 44; American Tripoli Co. (flour), Seneca, Mo., Exhibit 45; Charles E. Moore (tobacco), Baltimore, Exhibit 48; J. D. Kremelberg & Co., Baltimore (tobacco), Exhibit 57; G. Stallings & Co., Lynchburg, Va. (tobacco), Exhibit 60; Millers' National Federation, Exhibit 62; Henry Lauts & Co., Baltimore (tobacco), Exhibit 63.)

2. High rates are not only restricting the general volume of our export trade but are actually stopping exportations in some lines. Some business plants have been shut down as a result of the exorbitant rates.

(See letters of Fee-Crayton Hardwood Lumber Co., Exhibit 18; American Tripoli Co. (flour), Seneca, Mo., Exhibit 45; Gano, Moore & Co. (coal), Philadelphia, Exhibit 5.)

3. Shipowners in some instances are taking only those goods or commodities which will pay the highest rates of freight and are easily unloaded, and are declining to accept shipments of other commodities (such, for instance, as lumber) because the character of the shipments and the rates obtainable thereon make it more to the interest of the steamship owner to accept one class of goods than another. Such discriminations against different classes of American products and against certain lines of American business are both arbitrary and hurtful. If common carriers on land were to practice such discriminations against shippers, and adopt such arbitrary methods, they would be subject to criminal prosecution.

(See letters from Fee-Crayton Hardwood Lumber Co., Dermott, Ark., Exhibit 18; McEwen Lumber Co., Azalea, N. C., Exhibit 28; Coplay Cement Manufacturing Co., Exhibit 44; American Tripoli Co. (flour), Seneca, Mo., Exhibit 45.)

4. Despite claims that there is ample tonnage for the South American trade, there are letters to show that rates to South America have been greatly increased and there is a shortage of tonnage both to and from South America.

(See letters of Gano, Moore & Co. (coal), Philadelphia, Exhibit 5; Coplay Cement Manufacturing Co., New York, Exhibit 44; Brown & Adams (wool), Boston, Exhibit 4; Justus Ruperti, New York, Exhibit 70.)

In this connection attention is invited to letter of January 15, 1915, from the Panama Railroad Co. (attached as Exhibit 77), showing the inability to get coal to the Canal Zone for the use of the Panama Canal.

5. The direct charge is made that the Holland-American Line has repudiated written contracts with American shippers and has increased freight charges without regard to their rights.

(See letters of Charles E. Moore, Baltimore (tobacco), Exhibit 48; Levi Smith (Ltd.), Clarendon, Pa. (petroleum products), Exhibit 3; J. D. Kremelberg & Co., Baltimore (tobacco), Exhibit 57; Henry Lauts & Co., Baltimore (tobacco), Exhibit 63.)

ENORMOUS INCREASES IN RATES.

In order that the increase in ocean freight rates since July, 1914, may be more fully appreciated, the following tables, made by the Actuary of the Treasury Department, and based upon the best obtainable information, are submitted:

Freight rates, New York to European ports.

	1914, July 1.	1915, Jan. 19.	Increase.
Grain (per bushel):			<i>Per cent.</i>
Liverpool.....	\$0.05	\$0.20	300
Rotterdam.....	.06	.60	900
Havre.....	.06	.....	.....
Bremen.....	.0714	.....	.....
Mediterranean.....	.0825	.....	.....
Flour (per 100 pounds):			
Liverpool.....	.10	.40	300
Rotterdam.....	.10	.60	500
Havre.....	.18	.47	161
Cotton (per bale):			
Liverpool.....	1.00	5.00	400
Rotterdam.....	1.25	10.00	700
Havre.....	1.25	5.00	300
Meat and lard (per 100 pounds):			
Liverpool.....	.24	.30	50
Rotterdam.....	.28	.75	168
Havre.....	.30	.60	100

Freight rates—Baltimore.

	1914, July 1.	1915, Jan. 20.	Increase.
Grain (per bushel):			<i>Per cent.</i>
European ports.....	\$0.03	\$0.30	900
Mediterranean.....	1.05½	.32½	473
Flour (per 100 pounds):			
European ports.....	.14	.65	364
Mediterranean.....	.....	.....	.....
Cotton (per bale):			
European ports.....	1.75	12.50	614
Mediterranean.....	.....	.....	.....
Meats and lard (per 100 pounds):			
European ports.....	.27	.....	.....
Mediterranean.....	.....	.....	.....

¹ September 1.

Freight rates—Philadelphia.

	1914, July 1.	1915, Jan. 21.	Increase.
Grain (per bushel):			<i>Per cent.</i>
European ports.....	\$0.04	\$0.20	400
Mediterranean ports.....	.06½	.28½	318
Flour (per 100 pounds):			
European ports.....	.14	.41	192
Mediterranean ports.....	.187	.75	301
Cotton (per bale):			
European ports.....	1.15	5.00	335
Mediterranean ports.....	1.25	6.25	400
Provisions (per 100 pounds):			
European ports.....	.22½	.937	75
Mediterranean ports.....	.321	.9640	200

Freight rates—Norfolk, Va.

	1914, July 1.	1915, Jan. 20.	Increase.
Grain (per bushel):			<i>Per cent.</i>
Liverpool.....	\$0.06 to \$0.07	\$0.18	157 to 200
France-Atlantic.....	.067	.205	206
Mediterranean.....	.063	.27	329
Rotterdam.....	.....	.2525	.....
Denmark.....	.135	.28875	114
Flour (per 100 pounds):			
Liverpool.....	.21	.40	90
France-Atlantic.....	.25	1.00	300
Mediterranean.....	.35	\$0.55 to .70	57 to 100
Rotterdam.....	.25	.60	140
Denmark.....	.32	.70	119
Cotton (per bale):			
Liverpool.....	1.75	5.00	186
France-Atlantic.....	2.25	10.00	344
Mediterranean.....	3.25	5.00 to 6.25	54 to 92
Rotterdam.....	1.75	10.00	471
Germany.....	1.25	15.00	1,100
Provisions (meat and lard) per ton—			
large packages:			
Liverpool.....	6.05	8.50	40
France-Atlantic.....	8.00	12.00	50
Mediterranean.....	9.70	24.33	151
Rotterdam.....	7.60	12.00	58
Denmark.....	8.62	24.33	182

Freight rates on cotton from Savannah per bale.

	1914, July 1.	1915, Jan. 20.	Increase.
			Per cent.
Liverpool.....	\$1.50	\$5.25	250
Rotterdam.....	1.50	11.25	650
Bremen.....	1.50	15.00	900

No exports other than cotton.

Freight rates—New Orleans.

	1914, July 1.	1915, Jan. 21.	Increase.
			Per cent.
Grain (per bushel):			
Continental Europe, excluding Germany.....	\$0.08½	\$0.34 to \$0.50	300 to 488
Mediterranean.....	.11½	.40	248
Flour (per 100 pounds):			
Continental Europe.....	.18	.70 to .78	289 to 333
Mediterranean.....	.22	.09	214
Cotton (per bale):			
Continental Europe.....	1.60	7.50 to 13.75	369 to 759
Mediterranean.....	1.90	8.75	360
Meats and lard (per 100 pounds):			
Continental Europe.....	.33	.84 to .95	155 to 188
Mediterranean.....	.34	.84	147

Freight rates—Galveston.

	1914, July 1.	1915, Jan. 21.	Increase.
			Per cent.
Grain (per bushel):			
Liverpool.....	\$0.07½	\$0.19½	174
Havre.....	.10½	.18	65
Barcelona.....	.12	.33	175
Genoa.....			
Cotton (per bale):			
Liverpool.....	1.30	6.00	361
Havre.....	1.50	7.00	366
Barcelona.....	2.25	7.00	211
Genoa.....	1.90	10.00	426
Bremen.....	1.40	16.25 to 17.50	1,061 to 1,150

No flour, meats, or lard now moving from Galveston.

MAXIMUM NOT IN SIGHT.

While this report is being written, information is received that rates are higher than those given in some of the tables herein presented, and that even at these extraordinary figures it is difficult to obtain cargo space for earlier sailings than March and April.

SUMMARY OF THE MOST STRIKING INCREASES.

From the foregoing tables it will be observed that ocean freight rates on grain from New York to Rotterdam have been increased since the outbreak of the war 900 per cent; on flour 500 per cent; on cotton 700 per cent.

From New York to Liverpool the rates on the same commodities have increased from 300 to 500 per cent.

From Baltimore to European ports (excepting German) rates have been increased on grain 900 per cent; on flour 364 per cent; on cotton 614 per cent.

From Norfolk to Liverpool rates on grain have been increased from 157 to 200 per cent; on cotton 186 per cent.

From Norfolk to Rotterdam the rates on cotton have been increased 471 per cent; to Bremen the rates have increased on cotton 1,100 per cent, namely, from \$1.25 per bale to \$15 per bale.

From Savannah to Liverpool the rates have been increased on cotton 250 per cent; to Bremen the rates have been increased on cotton 900 per cent.

From Galveston to Liverpool the rates have been increased on grain 174 per cent; on cotton 361 per cent; to Bremen the rates have been increased on cotton 1,061 to 1,150 per cent.

CONTROL OF RATE SITUATION BY STEAMSHIP INTERESTS.

Ocean freight rates are still rising and are limited only by the greed of the steamship owners on the one hand and by what the traffic can stand on the other.

The Government has no power to control or regulate ocean freight rates; it can not, under existing law, protect our foreign trade against these extortionate and hurtful charges. The steamship owners can increase rates without notice and upon the instant, and our business men are helpless. The steamship companies are their own masters and do as they please with the transportation of our exports. As already shown, they are seriously checking our foreign trade, and in some cases, such as lumber and coal, are stopping it altogether.

(See letters of William Haas & Sons, Exhibit 43; Gano, Moore & Co., of Philadelphia, Exhibit 5; American Tripoli Co. (flour), Seneca, Mo., Exhibit 45.)

SCARCITY OF TONNAGE.

The scarcity of steamship tonnage is notoriously true. Every daily paper which publishes shipping news testifies to this incontrovertible fact. Attention is called to attached clippings from the New York Journal of Commerce of January 2, 1915, and the Wall Street Journal of January 1, 1915 (Exhibits 78 and 79), which show clearly the scarcity of tonnage.

But the conclusive evidence of the shortage of tonnage is the excessive and unparalleled ocean freight rates now prevailing. Such rates could not be maintained if tonnage was abundant.

BURDEN UPON AMERICAN BUSINESS.

Annexed hereto as Exhibit 1 is a summary of our sea trade and the estimated freight cost of handling it, from July to December, 1914, inclusive, prepared by the actuary of the Treasury Department.

From this it appears that our total exports by sea for July, 1914 (before the war) were \$139,225,479, and the ocean freight cost was \$7,833,482, or 5.63 per cent; the total of such exports for December, 1914, were \$226,000,000 (estimated), and the ocean freight cost was \$30,742,500, or 13.6 per cent—an increase over July of 141 per cent.

If the ocean freight cost on December exports had been at the same rate as July, viz, 5.63 per cent, the total freight charge on our exports for December would have been \$12,723,800 instead of \$30,742,500. In other words, the increased ocean freight tax arbitrarily imposed upon our farmers and business men for the month of December, 1914, only, was \$18,018,700.

If exports by sea continue for the 12 months of 1915 at the December, 1914, rate and the ocean freight charges are the same as for December, 1914, the American farmers and business men will pay to shipowners (principally foreign) increased freight charges above the normal rates, of \$216,224,400, or more than five times the \$40,000,000 which the Government proposes by the shipping bill to put into American ships for the protection of our foreign commerce.

In two months and seven days the increased ocean freight charges (above the normal rates prevailing in July, 1914) exacted on our foreign trade at the December, 1914, rate, would amount to \$40,241,761, or more than the total amount, viz, \$40,000,000, which the shipping bill authorizes for investment in an American merchant marine.

In 12 months, as before stated, the total increase in the freight tax levied by steamship owners, mostly foreign, upon our export trade, at the December, 1914, rate, would amount to the sum of \$216,224,400. If the same be applied to our import trade, there would be an additional increase of \$95,640,000, or a total increased ocean freight charge on exports and imports by sea in one year of \$311,864,400, or 141.6 per cent over the usual cost. (See Exhibit 2.)

Thus far we have been dealing only with the increased ocean freight charges over and above the normal rates prevailing in July, 1914. Including these normal rates, and assuming that the December, 1914, total ocean freight charges, viz, \$44,342,500, represent an average for each month of 1915, the total ocean freight charges on American import and export trade by sea for the year 1915 would amount to the enormous total of \$532,110,000. (See Exhibit 1.) Almost the whole of this huge sum would be paid to foreign steamship owners and would have an important bearing upon our foreign trade balances; it might, in fact, turn these balances against us.

EFFECT OF HIGH OCEAN FREIGHT RATES ON AMERICAN FARMER.

It will be observed that the greatest increases in rates and the heaviest tax has been imposed upon the products in which the American farmer is most concerned, namely, grain and cotton. These commodities constitute the great bulk of our export trade and have the largest influence in throwing the balance of foreign trade in favor of this country.

While the steamship companies have imposed conscienceless taxes in the form of increased rates on grain, amounting, as already shown, to as much as 900 per cent to some ports, they have placed an even heavier burden upon cotton, where the increase in rates to some ports is as high as 1,100 per cent. This increase is particularly onerous upon the cotton producers of the South, because it comes at a time when the effects of the war have greatly reduced the value of cotton and when the southern farmers are least able to bear additional burdens.

Grain, cotton, and other commodities are usually sold "delivered" at the port of destination. When steamship companies raise the cost of delivery of grain from 6 cents to 60 cents per bushel, it makes a vast difference in the price the farmer receives for his product; and when ocean freight charges on cotton are raised from \$1.25 to \$15 per bale, the price at which the farmer sells his cotton is seriously reduced.

To show what the burden imposed on the farmers by these high ocean freight rates means, it is necessary only to bring out the fact that while the total freight cost on our exports by sea for December, 1914, was \$30,742,500, the great commodities of grain, cotton, and flour bore \$11,782,250 of this charge—or more than 36 per cent of the entire freight cost on all exports by sea for December, 1914.

AMERICAN PRIVATE CAPITAL INVESTED IN MERCHANT MARINE.

The Bureau of Navigation of the Department of Commerce estimates the total value of all our ships in the foreign and domestic trade, and on the Great Lakes, including sail vessels, steam vessels, motor boats, canal boats, barges, etc., to be about \$600,000,000. The Bureau of Navigation states that the approximate value of American ships engaged in the foreign trade, including steam and sail tonnage, is only \$69,000,000.

It is argued by some that the Government should not do anything for the relief of our foreign commerce that will cause competition with this \$69,000,000 of private capital invested in ships engaged in the foreign trade, but that it is a paramount duty of the Government to protect this shipping interest against competition even though by so doing we leave our foreign trade entirely at the mercy of foreign ship interests and the relatively small amount of American capital invested in ships engaged in the foreign trade.

Let us compare the actual amount or value of our export trade by sea with the value of our ships engaged in the foreign trade, and we find that the total amount of such trade for the fiscal year ended June 30, 1914, was \$2,047,755,872, while the total value of American ships engaged in the foreign trade is \$69,000,000. Our combined imports and exports by sea for the same year were \$3,785,404,525.

It is pertinent to ask which of these interests is entitled to the superior consideration of the Government, the farmers and producers of the great grain States of the West and the farmers and producers of the great cotton and tobacco States of the South, the merchants, manufacturers, and business men throughout the entire country, whose combined activities represent our vast export trade, amounting for the last fiscal year to \$2,047,755,872; or the owners of the comparatively few American steamships engaged in the foreign trade, whose aggregate investment is approximately only \$69,000,000.

There would seem to be but one answer, and that is that our farmers, merchants, manufacturers, and business men, whose activities produce our great export trade, are entitled to first consideration, and that it would pay us many times over to invest the \$40,000,000, as provided in the shipping bill, in an American merchant marine, and bring about as quickly as possible a restoration of normal ocean freight rates, with a saving to American business of more than \$200,000,000 per annum.

In order to protect this \$69,000,000 against competition, as suggested by the arguments of the opponents of the shipping bill, the Government would have to permit the owners of American vessels, as well as the owners of foreign vessels, which do the great bulk of our ocean-carrying trade, to continue to levy such taxes in the form of increased freight charges upon the \$2,047,755,872 of our export trade, as these foreign and American steamship owners may determine.

Of course no one wants to injure or treat unjustly the owners of the \$30,000,000 invested in American vessels engaged in the foreign trade. As we understand it the purpose is not to put the vessels that may be purchased under the shipping bill into any service where American vessels are furnishing sufficient facilities at reasonable rates.

OBTAINABLE TONNAGE.

It has been stated that if the shipping bill is passed additional tonnage for our foreign trade can not be quickly obtained. This is incorrect. While we have made no effort to test the market for ship offerings, we have been assured by no less an authority than Mr. Bernard N. Baker, of Baltimore, a man of the best character and standing, who developed to a high degree of prosperity the American Transport Line, of which he was for many years president, and who is thoroughly familiar with the shipping trade, that many suitable and admirable ships for the purpose can be promptly secured.

Some of these ships are already completed and can be had immediately, some are partially built and can be finished in a few months, and others can be bought and transferred from steamship lanes or routes where the demand for accommodations is not so great to the service of American commerce. Others can be secured in a reasonable time from American shipyards, which are well equipped to fill orders promptly.

It is not true, as alleged in some quarters, that only ships of German registry can be purchased. We do not know whether any of the German vessels interned in our ports can be secured or that they would be desirable, but we are convinced that suitable ships of various foreign registry are available if the means for purchasing them are provided. There is attached to this report as Exhibit 76 a list of ships offered by the Merchant Marine Agency, J. V. McCarthy, manager, Boston, Mass., from which it will be seen that there are 15 ships of English registry and 7 of German registry which he proposes to sell. Attention also is invited to Exhibit 75 showing that other ships are obtainable.

We are convinced that within a reasonable time after the shipping bill is passed enough ships can be secured to greatly relieve and assist our foreign trade.

PANAMA STEAMSHIPS.

In the course of our inquiries we have had occasion to look into the operation of the Panama Railroad & Steamship Co., in which the Government is the owner of the entire capital stock, because here is an instance where the Government has long been directly in the shipping business and has made it successful. The operations of the ships of this company offer no justification for the charge of "administrative and executive inefficiency," any more than the construction of the Panama Canal itself.

Reference to the annual report of the board of directors of the Panama Railroad Co., soon to be issued, for the fiscal year ended June 30, 1914, and to Exhibit A connected therewith, and also to Exhibit V in a supplemental report carrying the results of operation down to the 31st of October, 1914, shows that:

In the fiscal year ended June 30, 1914, there was a net revenue from the steamship line alone of \$314,296.36, and in the four months ended October 31, 1914, there was a net revenue from the steamship line alone of \$84,294.16.

These net revenues are truly net; that is to say, they are net after maintenance and depreciation, including extraordinary repairs, are charged against the property. This depreciation on the ships owned by the company is 6 per cent per annum, which is the practice of the best private lines and is in excess of the depreciation charged by many privately owned lines.

The Panama Railroad & Steamship Line is a conspicuous instance of successful conduct, under the supervision of the Government, of so-called "private business."

SHIPPING SITUATION HAMPERS EXPORT TRADE.

While it is true that there has been a great growth of our export trade in recent months, we are satisfied that this growth would have been much greater if there had been ample steamship tonnage and if ocean freight rates had been maintained at a reasonable level. We are satisfied that the removal of the oppressive restraints now exercised by foreign steamship companies upon our export trade will give it an extraordinary impetus, and bring to our country a period of enlarged and unexampled prosperity.

We are the one great agricultural, industrial, and mineral producing nation which is not only at peace, but is far from the menace of war. We are the only market in which orders can be placed with expectation that they will be filled in reasonable time. The leading nations of the earth are turning to us now as the most reliable source of supply.

The fact that our expanding trade shows, at the moment, favorable balances is no argument that our commerce moves freely and without injury or undue burdens. On the contrary, it is a fact that through scarcity of tonnage and the extortionate freight rates imposed upon our commerce by foreign-owned and domestic steamship companies our export trade is greatly hampered, and the most wonderful business opportunity ever presented to any country is put in needless jeopardy. We believe that the favorable trade balance in December of over \$100,000,000 might have been doubled in January if sufficient ships had been available at reasonable rates, so that the orders which are pouring in upon us from every source could have been promptly filled.

The Treasury Department and the Department of Commerce are continuing to receive information about the shipping situation, and we assume that the Senate desires to have us submit further reports upon the subject of the Senate resolution if additional facts come to us while the shipping bill is under consideration by the Senate. We shall, therefore, take the liberty of communicating again to the Senate any other facts that may come to us which seem of sufficient importance to merit the attention of the Senate.

In the absence of the Secretary of Commerce, his signature, with his approval, is attached to this report by the Secretary of the Treasury.

Respectfully,

W. G. MCADOO,
Secretary of the Treasury.
WILLIAM C. REDFIELD,
Secretary of Commerce.

EXHIBIT 1.

WASHINGTON, January 21, 1915.

The honorable the SECRETARY OF THE TREASURY.

SIR: The following tables show the sea trade of the United States, together with the estimated freight cost, by months, July to December, 1914, inclusive:

SUMMARY.

United States sea trade and estimated freight cost, July to December, 1914, inclusive.

Exports to Europe.	July.	August.	September.	October.	November.	December (estimated).
Grain:						
Value.....	\$19,027,744	\$18,167,176	\$33,383,176	\$27,843,882	\$29,976,000	\$36,700,000
Freight cost..	1,273,285	1,148,543	2,777,327	2,498,643	4,884,075	6,753,000
Per cent....	6.7	6.3	8.3	9	16.3	18.4
Flour:						
Value.....	\$1,634,244	\$1,565,279	\$3,769,548	\$5,009,609	\$5,915,170	\$6,000,000
Freight cost..	76,813	78,094	301,882	506,508	563,375	845,000
Per cent....	4.7	5	8	10.1	9.5	14.1
Cotton:						
Value.....	\$6,197,348	\$1,019,681	\$4,538,683	\$16,421,278	\$27,168,987	\$35,700,000
Freight cost..	140,958	18,232	126,308	861,834	2,222,391	3,979,253
Per cent....	2.3	1.8	2.8	5.2	8.2	11.1
Meats:						
Value.....	\$2,964,808	\$2,925,566	\$3,627,610	\$3,098,068	\$4,088,733	\$4,500,000
Freight cost..	54,528	48,763	92,051	79,988	106,964	115,550
Per cent....	1.8	1.7	2.5	2.6	2.6	2.6
Lard:						
Value.....	\$2,037,073	\$2,149,061	\$2,288,640	\$5,265,928	\$4,556,234	\$5,300,000
Freight cost..	48,986	49,976	79,283	186,050	165,209	201,703
Per cent....	2.4	2.3	3.5	3.5	3.6	3.8
Other articles:						
Value.....	\$58,829,308	\$23,048,460	\$41,922,425	\$73,215,532	\$73,034,655	\$89,800,000
Freight cost..	2,941,465	1,198,520	2,934,430	5,308,126	8,033,812	12,123,000
Per cent....	5	5.2	7	7.2	11	13.5
Exports elsewhere:						
Value.....	\$48,534,954	\$30,443,543	\$46,283,262	\$43,548,618	\$37,535,067	\$48,000,000
Freight cost..	3,397,447	2,131,258	3,471,244	3,483,889	4,504,208	6,720,000
Per cent....	7	7	7.5	8	12	14
Total exports by sea:						
Value.....	\$139,225,479	\$79,321,775	\$135,811,343	\$174,402,915	\$182,272,846	\$226,000,000
Freight cost..	7,833,482	4,673,983	9,782,525	12,925,231	20,480,034	30,742,500
Per cent....	5.63	5.89	7.2	7.4	11.2	13.6
Total imports by sea:						
Value.....	\$147,535,541	\$115,823,908	\$127,904,688	\$124,721,454	\$113,204,516	\$100,000,000
Freight cost..	8,305,307	6,822,204	9,203,123	9,242,231	12,678,905	13,600,000
Per cent....	5.63	5.89	7.2	7.4	11.2	13.6
Total sea trade:						
Value.....	\$286,762,020	\$195,145,683	\$263,716,031	\$299,129,369	\$295,477,362	\$326,000,000
Freight cost..	16,139,789	11,496,187	18,985,648	22,167,462	33,158,940	44,342,500
Per cent....	5.63	5.89	7.2	7.4	11.2	13.6

EXHIBIT 2.

United States sea trade, freight cost, based upon the average ad valorem freight rate for July, 1914, as compared with that for December, 1914.

	Month of December.	12 months period.
Exports:		
On December basis, 13.6 per cent, as shown in Exhibit 1.....	\$30,742,500	\$368,910,000
On July basis, 5.63 per cent, as shown in Exhibit 1.....	12,723,800	152,685,600
Additional cost to shippers.....	18,018,700	216,224,400
Imports:		
On December basis, 13.6 per cent, as shown in Exhibit 1.....	13,600,000	163,200,000
On July basis, 5.63 per cent, as shown in Exhibit 1.....	5,630,000	67,600,000
Additional cost to shippers.....	7,970,000	95,600,000
Total sea trade:		
On December basis, 13.6 per cent, as shown in Exhibit 1.....	44,342,500	532,110,000
On July basis, 5.63 per cent, as shown in Exhibit 1.....	18,353,800	220,285,600
Additional cost to shippers.....	25,988,700	311,824,400

An increase cost of 141.6 per cent.

That is, assuming that the total ocean freight charges for December, 1914, viz, \$44,342,500, will be the average for each month of 1915, the total ocean freight charges on American import and export trade for the year 1915 will amount to \$532,110,000.

Assuming that no state of war existed, and that the normal freight rates in force last July had remained in force in December last, and that the December freight cost, upon this basis, viz, \$18,353,800, would have been the average for each month of 1915, the total ocean freight charges on American import and export trade for the year 1915 would have been \$220,245,600, or \$311,864,400 less than under existing conditions.

The basis of these tables are, first, the actual exports and imports of the United States as given in the Monthly Summary of Foreign Commerce, issued by the Department of Commerce; second, the country of destination of the exports where shown, and where not shown the most probable country of destination; third, the port of the United States exporting these goods, based where obtainable upon the actual export figures, otherwise estimated. The freight rates used are based upon the actual rates of contracts for carrying goods from certain United States ports to certain European ports, where at hand; otherwise, the rates are estimates based upon daily quoted rates in the New York shipping papers. The computations relating to the month of December are estimates.

After the average ad valorem freight cost of the enumerated articles is computed, it is assumed that the cost of shipping the other goods exported to Europe will be about the same ad valorem. It is known that the freight on general cargoes is practically the same as on provisions, with a rather low ad valorem, while that on bulky, low-priced goods is a higher ad valorem, making the average for the last six months very close to the average of the articles enumerated. The freight cost from the Atlantic seaboard to the Far East, Australia, and South America is higher than the trans-Atlantic cost, while that to Cuba, the West Indies, Mexico, and west coast of Canada is somewhat lower.

It is also assumed that the freight cost for our imports is about the same as for our exports.

Two factors modify the ad valorem freight cost—the unit value of the article and the unit freight rate. Since June both these values have fluctuated, the latter very much, as is shown in the following table. Freight rates are still advancing.

Increase in freight rates—Average for United States to Europe.

	Grain, per bushel.	Flour, per 100 pounds.	Cotton, per bale.	Meat, per 100 pounds.	Lard, per 100 pounds.
Estimated average:	Cents.	Cents.	Cents.	Cents.	Cents.
July.....	5.6	11.5	\$1.15	25	25
August.....	5.7	13.6	1.15	24.2	25
September.....	7.7	22.3	1.26	36	36
October.....	8.7	26	2.10	36.7	38.4
November.....	16.1	26	3.39	37	38.8
December.....	22.1	35	4.57	37	39.1
Increase, July to December, per cent.....	294	204	297	48	56

The export price of wheat has increased from 91 cents per bushel in July to about \$1.20 in December. Flour from \$4.58 per barrel in July to about \$5.30 in December. Cotton decreased from 12.4 cents per pound in July to 7.8 cents in October, since which time it has increased somewhat. Certain meats have increased from 13.9 cents per pound in July to over 15 cents in December. Lard has increased from 10.9 cents in July to nearly 12 cents in December. These fluctuations explain why the ad valorem and unit freight cost increase in different ratios.

Respectfully,

Jos. S. McCoy,
Government Actuary.

EXHIBIT 3.

[Levi Smith (Ltd.), refiner of Pennsylvania petroleum products.]

CLARENDON, PA., December 31, 1914.

Hon. W. G. McADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR SIR: Having noticed in the paper last night that you are gathering information from American exporters and manufacturers as to the advisability of the United States establishing their own steamship lines, wish to be put on record that we are most heartily in favor of such a proposition, as before the war we had a big export trade and have orders on our books for lots of goods, but parties have cabled us some time ago to defer shipments, as the excessive marine freight rates barred them from using the goods; besides steamers are not available to ship goods.

We have been in the oil-refining business for about 30 years, and before the war we could get about weekly steamers for Rotterdam, whereas at present we can not get a steamer once a month. We have had 390 barrels lubricating oil at Baltimore since last week in September and first week in October for immediate shipment which are just now loading. Shipment was consigned for Rotterdam, and while it was held up for a short time to comply with the shipping regulations for that port in getting a Netherlands Government permit, this permit has been in the hands of the Holland-American Line since November 19 or 20, and have repeatedly urged forwarding this shipment, but the Baltimore agents claimed they had no steamers. We can not prosper and retain our patronage when shipments are held up three months before forwarding; besides the steamship company presented a bill the other day of \$51.96 for demurrage charges accruing on this shipment while lying at Baltimore pier, which is a gross injustice, as we have not been at fault in the least that goods have not gone forward. Aside from this, the foreign steamship lines have such a monopoly of the business that they disregard all rights belonging to the American shippers and just fix matters to suit themselves. We know of but two lines from Baltimore, Philadelphia, and New York for Rotterdam, which are Holland-American Line and Atlantic Transport Co., and they are practically one, as there is no competition between these two lines. As mentioned above, our export business with foreign countries has been quite heavy in past years, and Rotterdam was one of our principal ports and generally made contracts with the Holland-American Line at Baltimore to cover all of our shipments to this port during the year. When our contract expired in 1913, we did not think it wise to renew same at the then high rates and held back, preferring to ship on the open market, but in March the Holland-American Line insisted on us closing a contract for the year 1914 or else pay the highest open market rate, making a difference of about 4 cents per hundredweight at that time, and with great reluctance we finally consented to cover our shipments to this port by another contract for the year. Inclose copy herewith.

Also, inclose copy herewith of their letter to us dated November 4, notifying us of disregarding that contract and asking an advance of 50 per cent, and a copy of one of our letters of protest, dated November 10, but all without avail as they would not move the 390 barrels lubricating oil mentioned above without 33 cents per hundredweight, paid in advance, which we paid under protest some time last month. This contract rate was 22 cents per hundredweight for the year, whereas their latest advice (a few days ago) the rate had advanced for shipments of this commodity to Rotterdam to 70 cents per hundredweight, which is simply outrageous.

Glad to favor you with original contract and letters if desired. Can give you other incidents of unfairness from steamship lines if desired.

Have we no redress on Holland-American Line to compel them to refund amount overpaid against contract rate?

Very respectfully,

LEVI SMITH (LTD.),
H. F. HEILMAN, Treasurer.

EXHIBIT 3A.

[Levi Smith Ltd., refiner of Pennsylvania petroleum products, Clarendon, Pa.]

Baltimore freight contract No. 178, between Mr. Levi Smith, Clarendon, Pa., party of the first part, and the Holland America Line, parties of the second part, the following has been agreed upon:

1. The party of the first part agrees to forward all shipments of lubricating oil that he controls from Baltimore to Rotterdam during the period from January 1, 1914, to December 31, 1914.
2. The parties of the second part agree to carry such shipments from Baltimore to Rotterdam during the above-mentioned period at an ocean rate of 22 cents per 100 pounds.
3. It is understood and agreed that this contract is to be carried out under the terms and conditions of the bills of lading of the line. Steamers reserve the right to take grain in excess of their net register tonnage.

Clarendon, Pa., March 25, 1914.

(Signed)

LEVI SMITH (LTD.)

Per H. F. HEILMAN, Treas.

BALTIMORE, MD., March 26, 1914.

p. p. Dresel, Rauschenberg & Co., agents Holland American Line.

(Signed)

JOHN SANDERMAN.

EXHIBIT 3B.

[Levi Smith (Ltd.), refiner of Pennsylvania petroleum products.]

CLARENDON, PA., December 13, 1914.

[Copies of our letter, Nov. 10, 1914.]

MESSRS. DRESEL, RAUSCHENBERG & CO.,

Baltimore, Md.

GENTLEMEN: We acknowledge receipt of your letter dated November 7 (likely intended for the 9th), explaining that your people found it necessary to raise the contract rate 50 per cent owing to the enormous expense at which steamship lines were operating at the present time, and while it may not feel very good to do business at a loss, nevertheless your people invited those chances to gain or lose when you insisted on signing a contract or else pay the higher open rate.

We have sold a whole lot of goods on this contract rate of 22 cents per hundredweight, and you would certainly not consider it a fair proposition that we should pay this 50 per cent additional rate out of our own pocket. If the present earnings don't keep the profits on the right side of the ledger with your people, your line is not bankrupt, and will simply have to do like other people when they make bad contracts—charge it up to "profit and loss." We are not inviting any contracts, as we find it too much of a gamble, and quite frequently the other fellow likes to squeal when he gets hit; but we remember of some contracts we had made in the past years, on which we lost \$1,000 per month toward the close. Well, we could not do business on that basis, but simply had to stand it and take it out of previous years' earnings.

We are not hard-hearted, but, as explained before, we can not pay the 50 per cent increased rate out of our own pocket, when we closed the deals with our customer on this 1914 contract rate with your people, and we simply have to ask you to carry out the contract between us, and entered into last spring.

Kindly advise your present sailing dates for Rotterdam covering a period of the next three weeks, and whether you can arrange to take two or three carloads on each steamer.

An early response will much oblige.

Yours, very truly,

LEVI SMITH (LTD.),
H. F. HEILMAN.

EXHIBIT 3C.

[Levi Smith (Ltd.), refiner of Pennsylvania petroleum products.]

CLARENDON, PA., November 4, 1914.

MESSRS. LEVI SMITH (LTD.),

Clarendon, Pa.

GENTLEMEN: We duly received your favor of the 31st ultimo regarding four cars of mineral colza oil that you wish to ship to Rotterdam under your freight contract with us.

We have no objection to taking this oil, provided, of course, we receive necessary permit from the Dutch Government through our New York office to do so, and we can not make any definite booking until this permit has been received.

As regards the rate of freight, please note that we have been instructed by our principals to advance all contract rates 50 per cent, so that the lowest rate that we can accept on any of your shipments now is 33 cents per 100 pounds. This is a general rule that has been put into effect at all ports and from which we can not deviate.

Our present sailings are as follows: Steamships *Soestdyk*, November 15; *Westerdyk*, November 21; *Randucyk*, November late—early December.

As regards the question of war risk, this is changing from time to time, and we think you would do better by waiting until the shipment is ready to go forward before obtaining any insurance figures.

Yours, very truly,

(Signed)

DRESEL, RAUSCHENBERG & CO.,

Agents Holland-American Line, Baltimore, Md.

EXHIBIT 4.

[Telegram.]

BOSTON, MASS., December 30, 1914.

WILLIAM G. McADOO,

Secretary of Treasury, Washington, D. C.:

We have been unable to make shipments wool from Buenos Aires to Boston or New York since December 15. Very little chance securing freight room for next 30 days account scarcity vessels. Have over \$600,000 worth waiting shipment already paid for. Freight rates when available about 150 per cent increase over last year. Have difficulty getting marine insurance on sailing vessels at reasonable rates. Have placed \$250,000 on American bark *Pilgrim*, 90 cents net. This is

a fair rate, but can not place more under \$1.75 up to \$2.25, which is extortionate. Of course, foreign companies not keen to assist movement American bottoms.

BROWN & ADAMS.

EXHIBIT 4A.

[Brown & Adams, wool commission merchants.]

BOSTON, MASS., December 30, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: We wired you to-day as per confirmation inclosed, for the situation regarding shipments from Buenos Aires to New York or Boston is a most difficult one. Space by steamer is practically unobtainable at present. There is one Norwegian steamer, the *Sark*, which is expected to sail from Buenos Aires for New York or Boston about the middle of January. Our Buenos Aires representative cables us that he will be unable to ship anything during January except the small quantity, space for which he has reserved on this vessel, and whereas last year we paid freight at the rate of \$4.50 per ton on steamers from Buenos Aires to Boston, the rate we shall have to pay per steamship *Sark* is \$12 per ton. We chartered the American bark *Pilgrim* and sent her to Buenos Aires, owing to the fact that we thought some trouble of this sort might arise. Her capacity is 3,000 bales of wool—value, say, \$750,000. We have been able to place marine insurance on this vessel to the extent of \$250,000, at 90 cents net, but for additional amount the best quotations we can secure run from \$1.75 to \$2.25. As wired you, we have about \$600,000 worth of wool paid for, waiting in Buenos Aires for shipment, and apparently very small chance of shipping within a reasonable time by steamer. When it comes to shipping under the American flag, we have to ship by sailing vessel, and the insurance companies charge a premium which is all out of reason.

Submitting the above situation to your consideration, we are,

Yours, truly,

BROWN & ADAMS.

EXHIBIT 5.

[Gano, Moore & Co. (Inc.), coal, coke, iron, steel, ores.]

PHILADELPHIA, PA., December 28, 1914.

SECRETARY OF THE TREASURY DEPARTMENT,
Washington, D. C.

DEAR SIR: We note in the newspapers considerable comment on the shortage of vessels to make shipments by American firms, and if there is any information that we can furnish you regarding this we shall be glad to do so.

The shortage of vessels is so serious now that it is practically stopping the exportation of coal. We have several orders for coal, principally to South American ports, and it is impossible to secure vessels, and coal firms who specialize in the exportation of coal have found it impossible to secure vessels of any description in which to make their shipments. Coal being an article which is always exported in large quantities, in full cargo shipments, the present situation is a very serious one for the coal firms, and if there is any assistance that you can give us, it will certainly be appreciated, not only by us, but by all exporters of coal.

Yours, very truly,

GANO, MOORE & CO. (INC.).

EXHIBIT 6.

[Strohmeyer & Arpe Co., importers and commission merchants.]

NEW YORK, December 26, 1914.

Hon. SECRETARY OF THE TREASURY,
Washington, D. C.

SIR: According to the article published in to-day's Journal of Commerce, you are calling upon the shippers for statements where freight charges are so high that American foreign trade is handicapped.

Just to show one instance, we respectfully beg to refer to the inclosed statement. A short time ago we shipped some powdered cocoa to our friends in Denmark. When again, a short time thereafter, we had occasion to ship the same commodity, the freight charges amounted to about 280 per cent higher, and upon remonstrance with the steamship company we were told that this was the lowest rate that could be figured, and since then the steamship company has notified us that the next shipment will be charged a higher rate of freight. This naturally handicaps the export trade very seriously. It seems to us that this advance is absolutely out of proportion and out of all reason.

We merely write this, complying with your request to be furnished with such statements of overcharge in freight.

We beg to remain,

Most respectfully, yours,

STROHMEYER & ARPE CO.,
G. ROGERS, Secretary.

EXHIBIT 6A.

[Strohmeyer & Arpe Co., importers and commission merchants.]

NEW YORK, December 26, 1914.

FREIGHT.

Steamship A, November 24, 1914:
40 barrels cocoa powder, gross 7,000 pounds..... \$45.50
Steamship B, December 8, 1914:
106 barrels cocoa powder, gross 18,550 pounds..... 336.96

EXHIBIT 7.

[Inman, Akers & Inman.]

ATLANTA, GA., December 28, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: We notice through the papers request for information on the subject of foreign freights, and whereas you have doubtless received information from others confirmatory of this, we think it wise to add our mite to the general fund.

We are paying ocean freight from Savannah to Rotterdam and to Bremen of \$2, \$2.25, to \$3 per hundredweight. Formerly the rates to these places were about 35 cents per hundredweight on cotton.

Coastwise steamers of the Mallory Line and Ocean Steamship Line are being offered for foreign freight service, induced by the extremely high rates prevailing.

Yours, truly,

INMAN, AKERS & INMAN,
By J. T. AKERS.

EXHIBIT 8.

[W. B. Cooper & Co., cotton merchants, owners Cooper Compress and Warehouse Co.]

WILMINGTON, N. C., December 31, 1914.

Hon. W. G. MCADOO,
Secretary of the Treasury, Washington, D. C.

MY DEAR SIR: Please allow us to indorse the action of the administration in trying to secure boats for the movement of American products. We are frank to say that as a general proposition we are not anxious to see the United States Government get into too many lines of business, but when 3 cents per pound, or more, is to be paid freight on cotton across the water against 35 cents per 100 pounds six months ago, it is time something should be done in our opinion.

Yours, very truly,

W. B. COOPER & CO.

EXHIBIT 9.

[Lesser-Goldman Cotton Co., cotton buyers.]

ST. LOUIS, MO., December 30, 1914.

Hon. WM. G. MCADOO,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: From a newspaper clipping we note that facts are desired in regard to high ocean rates and scarcity of vessels to transport cotton and other products abroad.

The undersigned, the Lesser-Goldman Cotton Co., having been in the business of buying and exporting cotton for the last 40 years, are well able to express an opinion on this question, and we beg to submit the following:

Owing to the war, a great many steamers have been withdrawn from the carrying trade between North America and Great Britain and other ports in Europe, and freights for cotton have advanced steadily ever since the cotton season opened and have reached a point now where they compare very unfavorably with rates paid in former seasons.

We are giving you herewith a statement showing freights to various European ports from New Orleans and other Gulf ports, viz:

Freight on cotton per 100 pounds gross.

	September, October, November, 1914.	Present rates.	1913	1912
	Cents.		Cents.	Cents.
To Bremen, Germany.....	57	\$1.00	37	49
Liverpool-Manchester.....		1.25	32	45
Havre, France.....	86	1.25	55	66
Genoa, Italy.....	90	2.00	46	56
Gottenborg, Sweden.....			80	80

In other words, for a bale of cotton weighing approximately 500 pounds the freight to Liverpool, at the present rate, would be \$5 as against about \$2.25 two years ago, and for freight to Gothenburg the present rate per bale is \$10 per bale as against \$4 per bale during the last two seasons. The rates mentioned above for the previous two seasons are average rates, as freight rates fluctuate like all other commodities and are subject to changes from day to day. However, the figures given above show the difference between freights paid on cotton exported to Europe in former years, when conditions of trade were normal, compared to present times.

As the quantity of cotton exported from the South runs into the millions of bales, the difference in freights on the volume of cotton exported is quite considerable and affects the price paid to the producer in the South to the amount of many millions of dollars.

In mentioning the freight rates from Gulf ports we will say that these rates are regulated by freight conditions in other ports from which exports of cotton are possible, and what we say about Gulf ports refers in equal manner to the Atlantic ports.

We trust that these data may be useful for whatever purpose this inquiry has been instituted, and the Lesser-Goldman Cotton Co. will be pleased to furnish any further information that might be desired by your department.

In addition, we will say that freight rates during 1912 and 1913 were comparatively high as against rates during prior seasons—in fact, previous to 1912 freight rates on cotton were as low as 30 cents and below per hundred pounds to Liverpool, and to other ports in proportion. Therefore, if comparisons are made of present conditions with those obtaining for a number of years prior to 1912, the losses which the producers suffer through the high freight rates amount to still greater sums than if we take only the last few seasons into consideration.

We take the liberty of inclosing herewith a copy of our letter addressed to the Hon. William J. Bryan, Secretary of State, touching upon the matter of delay in cables, as this matter also affects the export of cotton and therefore works to the disadvantage of the producers in this country. You will see from the contents of that letter that cables exchanged by us with neutral countries are subject to serious irregularities, and a great number of them are not delivered at all, probably owing to the action of the censors in foreign countries.

Yours, very truly,

LESSER-GOLDMAN COTTON CO.,
Per J. D. GOLDMAN, President.

[T. F. Jennings, hardwood manufacturer, "Switch Bud" brand, toughest on the market, second growth white hickory, oak, and ash, dimension stock a specialty.]

MARIANNA, FLA., December 28, 1914.

Secretary McADOO, Washington, D. C.

DEAR SIR: Having noticed in a newspaper that data is requested of parties who are interested in the great advancement in rates on material exported to a neutral country, can give you the following information:

I am exporting hickory lumber in bundles to Christiania, Norway, and freight rates have become so exorbitant that it is almost out of the question to ship—for instance, a shipment I made on October 15 via Scandinavian from New York was 37s. per ton of 2,240 pounds, 5 per cent prime.

Inclosed please find two letters from the agents of this line which speak for themselves. The regular rate on this material before the war was around 30s., the rate on October 15 was 37s., their letter of November 24 runs it up to 75s. Within three weeks they again run this up as per their letter of December 14 to 100s.

Now I am compelled under the circumstances to shut down my business if this can not be rectified. Business is bad anyhow, but just such exorbitant charges as these are what is putting a stop to lots of business in this country.

I realize that steamers flying the American flag may be hard to get, but it seems to me that some arrangement should be made to protect such business as I am doing that is a benefit to this country and supplying labor with help during these difficult times.

I trust that you will be able to take such measures as will be necessary to alter these conditions, which appear to me to be caused by the steamship companies overstepping their rights.

Kindly give me what information you can, and when you are through with them, return the two letters I inclose.

If there is any other information you want that I can give, will be glad to do so.

Yours, truly,

T. F. JENINGS.

EXHIBIT 10A.

[Funch, Edye & Co., steamship agents and ship brokers, Maritime Building, 8-10 Bridge Street.]

NEW YORK, November 24, 1914.

Mr. T. F. JENINGS,
Marianna, Fla.

DEAR SIR: Your favor of the 19th instant duly received, and wish to advise that freight room has become very scarce and steamers hard to obtain. Our rate has been advanced on hickory lumber to 75/- and 5 per cent per 2,240 pounds, and we would be pleased to accommodate your shipment in the steamship *Hellig Olav* December 9. We will probably have a sailing between December 9 and January 2, but can not definitely state at present.

Kindly advise whether we should book your one car, and awaiting your further favors, we are,

Yours very truly,

FUNCH, EDEY & CO.,
Per J. M. SALZMANN.

EXHIBIT 10B.

[Funch, Edye & Co., steamship agents and ship brokers, Maritime Building, 8-10 Bridge Street.]

NEW YORK, December 14, 1914.

Mr. T. F. JENINGS,
Marianna, Fla.

DEAR SIR: Your favor of the 8th instant received, and in reply wish to inform you the present rate on hickory lumber from New York to Christiania, Norway, is 100 and 5 per cent per 2,240 pounds.

We have no room to offer prior to the steamship *United States*, March 11.

Yours, very truly,

FUNCH, EDEY & CO.,
Per W. A. SALZMANN.

EXHIBIT 11.

[The Long-Bell Lumber Co.]

KANSAS CITY, MO., December 29, 1914.

Mr. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

HONORABLE SIR: In keeping with request made in the attached clipping from the *Kansas City Times*, I inclose you herewith a statement of our export orders now on file, showing name of customer where possible, stock, time of shipment, and port of sale. All of the stock is ready for loading, and in most cases the customer has needed the stock at the time it was purchased, but owing to their inability to secure tonnage the material is still at port deteriorating.

Just before the declaration of war we were able to charter vessels that would make a net rate equal to \$7 per 1,000 feet to practically all of the European ports.

Also, for your information, I inclose a quotation from ship brokers issued under date of December 26, showing rates have advanced more than 300 per cent. For instance, the rate to Rotterdam before the war was 60 shillings per St. Petersburg standard; it is now 300 shillings. And it is almost impossible to get a small or parcel shipment of lumber to any port at any reasonable price. The prices now being demanded by the steamship companies are, in many cases, more than double anything I have ever heard of their making in the past, and I think the records will show that their present rates have never been equaled in the past half century at least.

We have been advised by our representatives in England, Holland, Italy, and Germany that large volumes of orders for our lumber could be had at acceptable prices if we would quote c. i. f., but owing to the present condition of transportation facilities we are unable to make c. i. f. prices, and people who are buying from us f. a. s. our ports are unable to secure the lumber.

We now have in pile at port a little over 9,000,000 feet of lumber, or an approximate value of \$280,000, all of which is deteriorating, and could be disposed of if shipping facilities would permit.

There are many others in the same condition as ourselves, and we sincerely hope you can do something to relieve the situation.

We also attach hereto a clipping from our representative in England, which will indicate to some extent the enormous profit being made by the British shipowners.

Yours, respectfully,

M. B. NELSON,
General Sales Manager.

Care of Mr. Ludwig Haymann, Hamburg, Germany; Mr. L. L. Chipman, Liverpool, England.

EXHIBIT 11A.

Statement of export orders requiring tonnage.

Buyer.	Stock.	Shipment.	Basis.
Rotterdam, Holland....	92,000 feet decking..	October to November.	F.a.s. Port Arthur.
Genoa, Italy.....	2,400,000 feet timber.	November to December.	Do.
Cable sale through our agents, Genoa, Italy.	1,200,000 feet timber.	January, 1915.	Do.
Do.....	1,215,000 feet timber.	do	Do.
Cable sale through our agents, Germany.	520,000 feet knocked down saws.	Before end March, 1915.	Do.
London, England.....	1,912,500 feet ties; 600,000 feet timber.	Before end September, 1915.	Do.
Liverpool, England.	20,000 feet timber....	November to December.	C.i.f. Liverpool.
Do.....	50,000 feet prime....	do	Do.
Do.....	50,000 feet prime....	December.....	Do.
Total.....	8,260,500 feet lumber and timber.		

EXHIBIT 11B.

[From the Liverpool Observer, Sunday, December 13, 1914.]

THE BOOM IN SHIPPING—RECORD PROFITS—HUGE SUMS MADE BY SHIP-OWNERS—NOT EQUALED IN ANY PREVIOUS WAR.

[From a special correspondent.]

The British shipowning industry is to-day prospering as it has never done before. In every direction rates of freight have reached a level dreamed of only by the most sanguine.

At the outbreak of the war the outlook was not propitious. A strike of engineers—speedily settled in order to cause no embarrassment to the authorities—had resulted in a large number of steamers being hung up in our ports without employment. The attitude of Turkey over the closing of the Dardanelles rendered further trading in the Black Sea impossible, in addition to which Russia prohibited the export of grain. This market alone normally gives employment to a sixth of the vessels owned in Great Britain. There was thus a large quantity of shipping available for the transport of grain from the west, to which direction the belligerents turned for the supply of grain and other commodities. Canada and the United States were rejoicing in a bumper crop of wheat, and it was soon seen that they would have sufficient to supply all the wants of the allies.

A large number of vessels were therefore sent across to America seeking for freights. Rates at first rose, mainly on account of the high war-risk insurance under the Government scheme. But the rush of steamers all into the same market, as might have been foreseen, gave rise to a congestion of shipping which resulted in an absolute slump. Rates of freight fell to as low as 2s. 6d. per quarter for the conveyance of wheat from North America to the United Kingdom or France. This could have been anything but a paying proposition to a shipowner whose insurance for war risk was so high under the Government scheme (which was then in its embryonic stage) and whose bunkers and stores were much enhanced in price.

The export of coal from this country had also been brought practically to a standstill owing to the "triple bond" which was established. This meant that the shipper had to deposit three times the value of each coal cargo exported as a bond that such cargo would not be sent to any other than the declared destination. There were other stringent regulations which bore even more hardly upon him, and great efforts were made to have all these disabilities removed.

THE RECOVERY.

The bond was finally withdrawn, and a demand sprang up for vessels to carry coals to the Mediterranean. This may be said to have been the point at which a general, though gradual, rise in freights had its inception.

Italy now came upon the scene with huge orders for coals for the Italian State railways. Her mobilization, though partial, was on a large scale, and large stocks of coal were essential. The outbreak of war almost seems to have caught her napping, for her supplies of coal and grain were very low indeed. She at once set about remedying the deficiency, and the resultant demand for steamers set up a competition with America. Rates of freight rose in September and October from 7s. 6d. to 11s. 6d. per ton, and many steamers were found whose owners considered it more profitable to run them out to Italy and home in ballast at this rate rather than run the risk of a loss in the American market.

Up to September and October shipments of grain from the Argentine were practically limited to maize, the wheat having been nearly all previously shipped. There was thus not much competition from this direction.

GERMANY OFF THE SEAS.

America by this time was beginning to feel the effects of the additional avenues of employment which were being opened up, and about the end of October a distinct scarcity of steamers was beginning to be manifest. It must not be overlooked that the German mercantile navy was nonexistent. In normal times their liners and "tramp" steamers did a large trade with America, which now reverted to British vessels. In addition, the British Admiralty were largely employing colliers and transports, so much so that at the present time they have over 1,500 vessels under charter, at a cost to the country of something like £2,500,000 per month.

The feature of the boom which has set in is the demand for grain and coal for Italy. To this may be directly traced the rise in freights which has reached such proportions to-day. It is difficult to say what it portends. While hundreds of thousands of quarters of wheat and oats have been bought and shipped for the use of the allies, the insistent demand for steamers to convey these commodities to Italy has resulted in the forcing up of rates of freight from the 2s. 6d. per quarter which has already been mentioned to 7s. 6d. per quarter for France and 6s. 6d. per quarter to the United Kingdom. For Italy the rates have risen from 3s. per quarter in October to 8s. 6d. to-day.

HUGE PROFITS.

The significance of these figures to the British shipowner may be grasped when it is pointed out that a steamer with a capacity of 6,000 tons before the rise made a gross freight of nearly £4,000, while now she would earn over £11,000. To Italy she would make a gross amount of nearly £13,000. Before the rise she would be barely paying her expenses, but with rates at their present level a 6,000 tonner is making a profit for her owner of £7,000 to £8,000 on every trans-Atlantic voyage. Such a steamer can make about five such voyages a year, so that at the present rates the owner will be making from £35,000 to £40,000 per annum. And the end of the boom is not yet. There is bound to be a huge demand for steamers to carry cotton. It is stated that America is this year in possession of the largest cotton crop she has ever grown, and already vessels are being chartered at rates which greatly exceed any previous records.

From Argentina the principal grain export consists of maize between May and November. Consequently, as Europe depends upon wheat for sustenance, the commencement of the war did not see a great amount of chartering from South America.

THE WHEAT SHIPMENTS.

The shipment of wheat commences from the end of December, however, and already many vessels have been chartered, the rates of freight for steamers which will be ready to load in January and early February rising within the last month or two from 20s. per ton to 37s. 6d. It is generally reckoned that a steamer carrying about 5,000 tons of cargo can pay expenses if her outward freight from this country and home from South America together amount to about 25s. The freight out from Cardiff to-day is about 16s., so that the gross freight of such a steamer would amount to 53s. 6d. Thus, on a round voyage, about 28s. 6d., or nearly £7,200, will be net profit. A steamer of this type could make about four voyages per annum, so that, running in this trade, the owner would net something like £28,000 to £29,000 a year.

The beginning of the season has not seen a large number of steamers chartered to Italy, but it is now stated that, in addition to the enormous quantities which are being imported from North America, the Italian Government has purchased some 400,000 tons of wheat and oats from the Argentine Republic for shipment from the River Plate.

STILL HIGHER FREIGHTS COMING.

This will require something like 80 steamers to transport and is bound to result in still higher freights for the shipowners. The demand for steamers to fill these additional requirements will draw vessels away from North America, which will cause freights from that direction also to rise. Further vessels will be required to carry coals to the Mediterranean, and the competition of these other markets will doubtless result in coal shippers having to pay still larger rates of freight to attract steamers in their direction.

Another remarkable aspect of the present boom has been the demand on the part of Italy for coal. She has not been content to import this commodity from this country alone, but has drawn largely upon North America. She has had to compete with the enormous freights which are being paid for grain; 8s. 6d. per quarter for grain is equivalent to about 39s. per ton. The rates paid for the shipment of coal from North America to Italy have risen from 13s. in September to the equivalent of 40s. per ton at the present time.

400 PER CENT RISE.

The most recent instance was the case of a steamer which has been chartered at 20s. per ton on the steamer's dead-weight carrying capacity for the trip across. This is known as "time charter" and is equivalent to the hiring of a cab by the hour. The charterers pay the entire expense of running the steamer and run all the risk of any delay which may arise in her loading and discharging. The normal rate for the chartering of a steamer for such a trip on this basis is 5s. per ton dead-weight—a clear rise of 400 per cent.

Coal rates from Cardiff to the Mediterranean have risen from about 7s. 6d. to 16s. 3d. per ton freight. An owner can pay the expenses of his steamer in this direction when he makes 8s. per ton. He can thus afford to run his steamer out with cargo and back in ballast, and at 16s. 3d. he will make about 8s. per ton profit. The round voyage occupies about a month. Thus, the owner of a 6,000-tonner running in this trade can make something like £34,000 per annum profit.

SHIPBUILDERS BUSY, TOO.

In every direction it will be seen that huge profits are to be made in the shipping industry. Nor are shipowners the only ones to feel the boom. The prosperity has created a demand for more ships. The price of steamers is rising daily, and shipbuilders are booking so many orders that their yards will be full for some years to come. Many shipowners also are selling off their old tonnage at prices which they never dreamed of before the outbreak of war.

Investigation goes to show that the present boom has been of a much greater nature than during other wars. After the Franco-Prussian war, for instance, the boom did not set in until some 12 months after the declaration of peace. By this time the nations had time to turn round, and finance was readjusted. And then the rise in freights was more gradual. It was not until 1882 that the top of the rise appeared.

It is interesting to note that the only rate approximating to present figures was paid to the Ben Nevis, a steamer with a carrying capacity of 7,500 quarters, or about 1,500 tons, which obtained 8s. 3d. per quarter from New Orleans to Rouen. So much have "tramp" steamers increased in size that anything nowadays with a capacity of under 25,000 quarters, or about 5,000 tons, is considered a small steamer, and a 1,500-tonner is thought to be far too small to cross the Atlantic.

EXHIBIT 11C.

[George Gerdes & Co., foreign freight brokers and forwarding agents.]
NEW ORLEANS, LA., December 26, 1914.

Since our circular last week our freight market remains practically unchanged. For some ports the scarcity of tonnage continues, and at the present time, January, room for nearly all ports have been filled. All rates subject to confirmation before booking.

Rates quoted in cents per hundred pounds, shillings per standard, and dollars per thousand superficial feet.

Liverpool: Harrison and Leyland lines are not quoting at present. Elder Dempster for February are quoting 55 cents, on hardwood lumber.

Glasgow: MacLay Prentice Line, January-February, quote hardwoods, 50 cents; softwoods, 53 cents; cottonwood, 57 cents; pine, \$20.

Dublin: Head Line, February-March, hardwood, 51 cents; medium woods, 54 cents; cottonwood, 58 cents; pine, \$21.50.

Havre: February, French Line, freight prepaid, hardwoods, 70 cents; cottonwood and tupelo, 75 cents; pine, 19 cents.

Rotterdam: February-March, agents' option Holland-American Line prepaid, hardwoods, 95 cents; cottonwood and tupelo, 100 cents; pine, 300s.

Amsterdam: February-March, agents' option Holland-Amsterdam Line prepaid, hardwoods, 97 cents; cottonwood and tupelo, 102 cents; pine, 315s.

Genoa: Creole Line, February, hardwoods, 82 cents; cottonwood and tupelo, 87 cents; pine, 225s.

Christiana, Gothenburg: February, hardwood, 90 cents; softwoods, 95 cents; prepaid.

Yours, truly,

GEO. GERDES & CO.

Belfast: Head Line, February-March, agents' option hardwoods, 50 cents; medium woods, 53 cents; cottonwood, 57 cents; pine, \$20.

EXHIBIT 12.

[Alphonse Weil & Bros.]

NEW YORK, December 26, 1914.

HON. WILLIAM G. MCADOO,

Secretary of Treasury, Washington, D. C.

SIR: We notice in this morning's New York Times that you would like to be informed with regard to advances in ocean-freight charges. We intended to ship a large quantity of oats to the other side, but were prevented from doing so on account of the rate of freight advancing from 4s. per bushel to 6s. 6d. We are told that the reason of this advance is due to the fact that there are very few vessels available at the present time.

Yours, respectfully,

ALPHONSE WEIL & BROS.

EXHIBIT 13.

[Pittsburgh Provision & Packing Co., beef and pork packers, Union Stock Yards.]

PITTSBURGH, PA., December 30, 1914.

HON. WILLIAM G. MCADOO,

Secretary of the Treasury, Washington, D. C.

DEAR SIR: We are advised that a statement has been issued by you calling upon all shippers who have been affected by high ocean rates and scarcity of vessels to send facts to the Treasury or Commerce Departments.

We are exporters of provisions, etc., to Mamburg, Germany; Rotterdam, Holland; London and Liverpool, England. Early in 1914 we signed contracts covering rates on export freight to London and Liverpool, via Atlantic Transport Line and White Star Line from New York, with J. D. Roth, general western freight agent of the above named lines, in which we were named ocean rate of 20 shillings—5 per cent per gross ton. These rates have been raised 10 shillings per gross ton since the beginning of the war, they claiming that their steamers are operating under greatly increased expenses, such as coaling for the round trip and the high premiums asked in the matter of war insurance, etc., also claiming that a great number of their steamers have been requisitioned by the British Government. It is also necessary for us to obtain confirmation of space on a given steamer should we desire to ship for a special sailing. At present, it is almost impossible to obtain booking for London and Liverpool, the steamship company claiming that they are booked ahead.

On December 20 we endeavored to reserve space via the Holland-American Line for shipment of 75 tons, oleo oil to Rotterdam, Holland, and received advice on the 26th inst. that there was no available room on Holland-American Line steamer clearing from New York on January 7, and that they were booked up to the latter part of January.

Several of our shipments via the Holland-American Line, consigned to Daniel Loeb, Rotterdam, Holland, have been held up by the British Government for a period, which has resulted in considerable delay in the goods reaching destination, although they were consigned to a neutral country.

As our goods are sold on an f. o. b. Pittsburgh basis we are not affected to any great extent by the increase in ocean rates, but are seriously handicapped by our inability to secure booking and by the requirements of the British and French Governments in reference to consignments to private individuals in Holland, a neutral country.

Yours, very truly,

PITTSBURGH PROVISION & PACKING CO.

EXHIBIT 14.

[The Fenton Art Glass Co., manufacturers and decorators of tableware and novelties.]

WILLIAMSTOWN, W. VA., December 28, 1914.

THE HON. WM. G. MCADOO,

Secretary of Treasury, Washington, D. C.

SIR: We are just advised by one of our large customers in England that in trying to fix up a contract for ocean freight rate from Philadelphia to England for the year 1915, that he has received a cable from Philadelphia quoting him a rate that is 60 per cent higher than the contract he had for 1914.

We sell this customer from \$25,000 to \$40,000 worth of goods per year of a cheap line of ware that sells in England in the same class of stores as our American 10-cent stores are, so that if the rates are advanced to this extent it will practically take our ware out of that market.

Will you kindly do whatever you can to keep the rates down and within reason, and if there is any information we can give you along this line, we should be glad to have you call upon us.

Yours, very truly,

THE FENTON ART GLASS CO.

F. L. FENTON,

President and Treasurer.

EXHIBIT 15.

[Chattanooga Wheelbarrow Co.]

CHATTANOOGA, TENN., December 26, 1914.

W. G. MCADOO,

Treasurer, Washington, D. C.

DEAR SIR: We see by press notice that you wish information from shippers who have been handicapped on account of high ocean rates and scarcity of vessels. This has affected us very considerably in getting shipments to England.

On November 17 we made carload shipment to Savannah for forwarding to Liverpool by the Strachan Line. Our customers, we understand, contracted on this for a 7½ cents per cubic foot rate. The boat on which space had been engaged was diverted from Liverpool to London and shipment was held until December 9 and our customers were forced to pay rate of 10 cents before they would agree to handle same at that time.

We expect to have a regular monthly movement to Liverpool to this particular customer. We have been endeavoring for about a month to get a shipment through some of the Atlantic or Gulf ports for shipment to Bristol or Liverpool. Customer originally had arrangements made to ship through Savannah by the Strachan Line on a 10 cents per cubic foot rate, but this was canceled. We then took the matter up and were quoted rate of 60 cents per 100 pounds by steamer *Adelina*, Spanish flag, from Pensacola, this 60 cents including transshipment from Liverpool to Bristol.

This data was given to our customers, but when it came to signing for space they refused to honor the rate quoted. We are still holding this carload trying to get booking through some of the various steamship companies, and in this connection would state we have three more cars which we want to get out early in the year, provided we can get them handled from port. The Head Line Steamship Co. from New Orleans are quoting February sailing of \$1.25 per 100 pounds for Bristol. It is almost imperative for us to forward these through some of the southern ports owing to the fact that we are at such a disadvantage on inland routes to New York.

If you can give us any assistance or furnish us with any data as to the best manner in which to handle this with the various steamship lines operating out of Atlantic or Gulf ports, we will appreciate it very much indeed.

Yours, very truly,

CHATTANOOGA WHEELBARROW CO.,
By H. W. LONGLEY, *Secretary*.

EXHIBIT 16.

[American Vulcanized Fibre Co.]

WILMINGTON, DEL., December 28, 1914.

Hon. W. G. MCADOO,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: We have seen from newspaper reports that a statement was issued calling upon all shippers who have been affected by high ocean freight rates and scarcity of vessels to communicate such information to the Treasury.

We are now taking the liberty to inform you that we have been experiencing considerable trouble in obtaining space on steamers going to Scandinavian countries. For example, we have been informed by the Scandinavian-American Line that no space can be had on any of their steamers until the middle of March and April. Shipments via other lines are also very scarce, and no space can be had for a considerable time. The freight rates are also very high, and have been raised from 40 shillings to 65 and 70 shillings for shipments to Copenhagen.

While we are not experiencing any particular trouble with reference to shipping to England, we wish to state, however, that we have been informed a few days ago that the freight rate for vulcanized fiber from Philadelphia to London has been raised from 15 shillings to 30 shillings per ton. This is a raise of 100 per cent and, in our opinion, is not entirely justified. It seems to us that the shipping interests are taking advantage of the present disturbed times, which naturally will tend to hurt the American foreign trade.

If the Treasury Department could enlighten us in some of these points, we would indeed greatly appreciate it. We furthermore would be very thankful to the Treasury Department for any help which it may be able to give in connection with the adjustment of freight rates and shipping facilities.

All the aforesaid points make it very difficult indeed to keep up the established business relations with customers in neutral countries, and any action which would further the facilities of conditions necessary for the keeping up of the good relations between neutral customers and American manufacturers would be heartily indorsed by us.

If you have any information on the foregoing subject, we would indeed be glad to hear from you.

Very truly, yours,

AMERICAN VULCANIZED FIBRE CO.,
T. W. CAMPBELL, *Vice President*.

EXHIBIT 17.

[A. Gross & Co. (Inc.), stearic acid, candles, red oil, and glycerin.]

NEW YORK, December 26, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of Treasury, Washington, D. C.

HONORABLE AND DEAR SIR: Permit us, please, to lay before you our complaint against the scarcity of ships and the exorbitant rate of freight now being charged on shipments of our commodities to the various foreign ports, which seriously handicaps our business.

We therefore feel that something should be done by our Government to relieve the present situation, since it so seriously interferes with our foreign business.

Trusting that you may be able to take prompt steps to remedy this condition, we beg to remain,

Very truly, yours,

A. GROSS & CO.,
J. A. BURNS, *Secretary*.

EXHIBIT 18.

[Fee-Crayton Hardwood Lumber Co., makers and exporters of quartered and plain oak, hickory, ash, and walnut.]

DERMOTT, ARK., December 28, 1914.

The SECRETARY OF THE TREASURY,
Washington, D. C.

DEAR SIR: Inasmuch as we have been seriously affected and our business very much handicapped by the high ocean rates on our shipments of hardwood lumber, we are glad of an opportunity of coming to our big and benevolent policeman who is our Secretary of the Treasury.

We have had a good business with all these belligerent nations outside of Russia, and our trade has extended over a period of a quarter of a century, and we can say that it is now a serious menace to our business by reason of our inability to get reasonable and, in some cases our inability to get any, ocean rates on our production of hard-

wood lumber. We usually ship through the port of New Orleans to British and continental ports. The writer has been to New Orleans personally and is informed by the steamship agents that they are receiving a tonnage of cotton and wheat and other commodities for the belligerents at such high rates and at such easier loading and unloading that they make tremendous profits for their vessels, and they do not want to take lumber tonnage. We can say that we have before us inquiries for many carloads of lumber which could be shipped immediately provided reasonable rates could be had.

We had contracts last year for tonnage to Liverpool, London, Glasgow, Belfast, etc., ranging from 22 to 30 cents per hundred weight, and now on some of these ports the rates are from 50 to 50 cents and lumber values make these rates absolutely impossible. Steamship agents tell me that their bottoms are filled with grain, cotton, etc., for months to come. We are told that cotton brings \$2 per hundred weight to Rotterdam, whereas rates last year were a maximum of 46 cents per hundredweight. Further, one of the steamship agent's commission for a single month was \$25,000 for the month.

We trust that there is some way in which our National Government can arrange whereby lumber traffic can be resumed at something like a reasonable rate. We will be glad to receive information that will point out anything that we can do that will have a tendency to help us out.

Yours, very truly,

FEE-CRAYTON HARDWOOD LUMBER CO.,
FRANK F. FEE, *President*.

EXHIBIT 19.

[National Lumber Exporters Association.]

BALTIMORE, MD., December 20, 1914.

The SECRETARY OF THE TREASURY,
Washington, D. C.

DEAR SIR: I notice from press reports that you, in connection with the Department of Commerce, are investigating the matter of ocean freight rates, and I take the liberty of calling your attention to the enormous, and what appear to be unreasonable, increases in ocean rates on lumber and other forest products which have been made by the steamship companies since the outbreak of war. For your information I give you below rates from various United States ports to foreign ports that were in effect prior to the war and rates that are now being asked:

FROM NEW ORLEANS.

	July, 1914.	December, 1914.
	Cents.	Cents.
Amsterdam.....	25	97
Belfast.....	28	50
Christiania.....	33	90
Dublin.....	29	46
Genoa.....	30	82
Glasgow.....	29	50
Gottenborg.....	33	90
Havre.....	27	65
Liverpool.....	25	55
London.....	26	65
Rotterdam.....	23	95

FROM NEW YORK.

Aberdeen.....	22½	31
Glasgow.....	17	28
Havre.....	21	40
Hull.....	17	28
Liverpool.....	13	25
London.....	17½	27½

FROM BALTIMORE.

Belfast.....	22	35
Dublin.....	23	36
Glasgow.....	20	30
Liverpool.....	16	28
London.....	21½	30½

To many of the ports steamship lines refuse to quote rates at all, as they claim that more tonnage is being offered than they can take care of.

You will note from the above that the advance in rates from New Orleans is much more pronounced than from North Atlantic ports and, as a matter of fact, the New Orleans rates being asked are practically prohibitory.

If there is any further information you would like to have on this subject, I should be pleased, if possible, to give it to you.

Yours, very truly,

J. MCD. PRICE, *Secretary*.

EXHIBIT 20.

[Empire Cotton Oil Co.]

ATLANTA, GA., December 28, 1914.

Mr. W. G. MCADOO, *Secretary of Treasury*,
Washington, D. C.

DEAR SIR: Agreeable to Governmental request, beg to advise that this company is experiencing considerable trouble in booking shipments of cottonseed meal, cake, and linters to foreign ports. In fact, we have been endeavoring since the 19th instant to find space for cottonseed meal and cake of approximately 3,000 tons to Liverpool and London, and the very best offer received up to the 24th instant was \$8.50 per ton from Savannah to Liverpool, January-February sailing, and not exceeding 1,000 tons at that. However, in endeavoring to book this

lot to-day, the Strachan Shipping Co., agents, Savannah, have just wired as follows:

"Regret can not confirm thousand meal Liverpool eight fifty. Freight market advancing on firm offer to-day nine dollars. Feel sure can place January-February shipment."

To which the following is our reply:

"Your wire date. Best we can stand is eight fifty. Will book one thousand tons at that. Advise."

Further, it appears that the Strachan Shipping Co. are the only ones that have any space at all in sight for January-February for commodities other than cotton, they advising us on the 21st instant they are unable, at the moment, to quote a rate on meal or cake from either Charleston or Jacksonville and have but limited room from Savannah and Brunswick, going on to say that they can not assure us of January room from either of these ports at present. Also that the tonnage market is exceedingly strong and steamers scarce. Therefore, they are experiencing the greatest difficulty in securing boats to cover their actual January commitments, consequently would not care, at the moment, to quote a guaranteed shipment that month.

We are also advised by the Churchill Line, also by the J. H. W. Steele Co., of Savannah, as well as Street Bros., of Charleston, S. C., that they have no space at all, and to the further effect that just now tonnage, especially as regards neutral boats, is scarce and rates high.

In fact, the result of our inquiries along this line principally develops that shipowners have restricted their vessels almost exclusively to cotton by charter or at very high rates, one of my informants placing the charter price at \$12 per bale.

The best quotation we have had from Norfolk is \$8 per short ton, while the rates quoted us from Savannah, above mentioned, are for ton of 2,240 pounds.

So far we have been unable to secure quotations to London, Rotterdam, or any ports other than Liverpool.

Yours, very truly,

E. P. MCBURNEY, Vice President.

EXHIBIT 21.

[Phoenix Iron & Steel Co. (Inc.), iron and steel, railway supplies.]

GALVESTON, TEX., December 26, 1914.

Secretary MCADOO,

Washington, D. C.

DEAR SIR: Referring to your call for information from shippers who have been affected by high ocean freights, beg to advise we are shippers of old rails and scrap iron and steel.

We have in the past paid various rates of freight, from 12s. to 18s. per ton; however, steamship companies now either quote abnormal freights or refuse to quote at all, so it is impossible to ship any material, as the freights in some cases amount to three-fourths of the delivered price of the commodity.

The Texas Transport & Terminal Co. have carried practically all of our material from New Orleans and Galveston to Genoa, Italy. This steamship company has now asked us 45s. per ton for January, February, and March, and the material itself is only worth about 60s. per ton delivered.

The above facts are given for your information, and in case you can suggest some remedy, or possibly would like to see the writer regarding other details of this matter, he would take great pleasure in seeing you in Washington at any time you may state.

Yours, very truly,

PHOENIX IRON & STEEL CO.,
LEONARD JOSEPHS, President.

EXHIBIT 22.

[Newburger Cotton Co., producers, buyers, and exporters of cotton.]

MEMPHIS, TENN., December 7, 1914.

Hon. WILLIAM G. MCADOO,

Secretary of the Treasury, Washington, D. C.

DEAR SIR: The cotton pool, raising money for the farmer to carry his cotton, is a splendid idea and has everyone's indorsement; but the real thing you want to do is to make a market for the farmers' cotton, so as he can sell it if he so desires.

I have on my desk several very important inquiries for cotton for Germany and feel satisfied that at least a million bales of cotton could be sold to Germany and Austria at once if freight room at a reasonable price could be secured and, above all, that the "war risk" would cover the shipments absolutely.

Now, can not you find a way for the Government to furnish us ships and guaranteeing the delivery of the cotton either at Gottenborg, Rotterdam, or Copenhagen? The importance of this move you can realize in a moment when you think that every bale of cotton that is held over and not spun becomes a weight on the market and reduces the chances of an advance later on that much. You can not grind the mill with the water that has passed, and when a spindle stops operating and the cotton is not being used it becomes a dead weight on the market, it matters not how much you advance against it.

Now, what we want is open markets and a chance to ship our cotton. If this can be done the cotton pool will only be used limitedly. The rate from New Orleans to-day to Gottenborg is \$1.50 per hundred-weight; and to Rotterdam \$2 per hundred-weight. This is three and four times the regular rate. Suppose a rate of \$1 was effected and with a "war risk" of not over 50 cents per bale, this would enable you at once to take a million bales of cotton off of the market. Can't you suggest some outlet for these conditions?

A steamship loaded with 10,000 bales of cotton at \$3 per hundred-weight, or \$15 per bale, realizes, gross, \$150,000 for the cargo, when the vessel itself is not worth exceeding \$125,000. For such conditions there certainly should be some remedy.

Yours, very truly,

JOS. NEWBURGER.

EXHIBIT 23.

[L. & E. Frenkel, importers of electric specialties.]

NEW YORK, December 31, 1914.

SECRETARY OF THE TREASURY MCADOO,

Washington, D. C.

HONORABLE SIR: We notice in the papers that you would like to have some information regarding freight rates, and we herewith have much pleasure in relating to you some experience we had lately.

We procured orders to ship gas coal to Italy, but on account of the high shipping rates we can not ship same. As you know, America has large, rich, coal mines; nevertheless, American gas coal could not be sold in Europe, owing to the fact that shipping from England is cheaper during time of peace. Through the war, England has raised the price of gas coal, and now Italy and France are asking for American coal, which gives America a good chance to introduce its coal on the European market, but the shipping rates have been raised from 11 shillings to 38 shillings, which is the approximate rate asked to-day; therefore, it is impossible to compete even with the high price of English coal. The cause of these rates being augmented so is, to our belief, that England is protecting her coal business; therefore instructed ship-owners to raise the freight rates.

The only way to compete with these high rates is to allow exporters of coal the privilege of engaging United States colliers at, say, a cost price, by guaranteeing with a certificate that the coal is for a neutral country. We know the United States is spending money to study why American coal can not be sold abroad, and we think this is the only way to help out the exporters and at the same time introduce American gas coal in Europe.

We are willing to engage any steamer at a moment's notice for twice the amount the gas coal is worth in America.

Trusting that something will be done in this matter soon, we are

Very respectfully,

L. & E. FRENKEL,
E. FRENKEL.

EXHIBIT 24.

[Klomatia Planter's Co. (Unincorporated), successors to S. J. Wright.]

KIOMATIA, RED RIVER COUNTY, TEX., December 27, 1914.

Hon. WILLIAM MCADOO,

Secretary Treasury, Washington, D. C.

DEAR SIR: I notice from the press reports that you expressed a desire to learn something of the excessive ocean freight rates which are now being charged to foreign ports.

I have been requested to act as chairman of a marketing committee of the Northeast Texas District Farmers' Union, to try and market some of our cotton direct from the farmers to European spinners, and we would like to reach Germany and Austria with some cotton. The ordinary rate from Gulf ports to these points is about 50 cents per hundred pounds, but I have been informed that as much as \$3 per hundred pounds has been charged on cotton.

We also find it will be difficult to secure a steamer.

I am advised that the United States Government has a number of transports which might be used as cotton carriers, and I am also advised that there are some German ships which could be purchased in some Gulf ports.

Is it possible for you to arrange so that we can secure a ship, and pay only a reasonable freight rate from here to Germany and Austria?

I would like this information as early as possible, as we will have to make arrangements to concentrate this cotton in either Galveston or New Orleans, and our ability to finance it will determine which port we will use.

I wish to state in advance this will be a transaction for and in behalf of the farmers who have been able to hold their cotton and not forced to sacrifice it at beggarly prices, which has been the fate of thousands of farmers in our State.

Awaiting your prompt advice, I am, yours, very respectfully,

R. D. BOWEN.

EXHIBIT 25.

[E. K. Vietor & Co., leaf tobacco, strips, stems, and scraps.]

RICHMOND, VA., December 28, 1914.

HIS EXCELLENCY WILLIAM GIBBS MCADOO,

Secretary of the Treasury, Washington, D. C.

SIR: We have seen in the Times-Dispatch, published in this city, that your excellency is requesting information regarding rates of freight which have been advanced since the European war started, and we take, therefore, the liberty to comply with this request. Our business, which is almost entirely export, has been greatly hampered owing to the advance in rates of freight as well as to the high rates of war insurance. Formerly we used to pay about 20 to 30 cents per 100 on leaf tobacco and tobacco stems ocean freight to Rotterdam; these have now been advanced to \$1. We have orders to ship a lot of tobacco stems for Germany via Genoa, and we are asked a rate of freight of \$1.50 per 100 from New York to that port, which is more than the value of the goods.

We have not made any shipments to Great Britain since the war started, but have kept our tobacco here. We understand, however, from one of our friends, that the rate of freight to Great Britain now is 1 cent per pound, against about 20 cents per 100 pounds in normal times.

We were charged 5 per cent war insurance from New York to Christiania, Norway. Our correspondent in Norway writes us that he is not willing to pay this, as he can cover the insurance there for 1½ per cent, and he has charged us with the difference; this insurance was covered in the Boston Insurance Co.

We have been trying, through the Richmond Chamber of Commerce, to get a statement from the French Government that they, as well as the British Government, would not interfere with shipments of tobacco nor tobacco stems in neutral vessels to neutral ports. So far we have been unable to obtain any such assurance.

We understand that the British ambassador has given assurance in Washington that his country would not interfere with such shipments of tobacco, but we hear now from our forwarding agent at New York, as well as from one of the steamship lines, with whom we are negotiating for freight, that we have to make out an affidavit that the tobacco or tobacco stems which we are shipping to Italy will not be reexported from there to any other country.

If we should make such an affidavit the Italian consul would know perfectly well that we were making a misstatement and the British consul would know also, as there is a tobacco monopoly in Italy and no tobacco can be shipped there unless it be consigned to the Italian Government or it be wanted for reexportation to some other country.

If it is true that no interference with tobacco or tobacco stems will be made it does not look reasonable that we should be compelled to make such an affidavit before the Italian and British consuls.

We are greatly hampered in our business, not only because the banks here do not seem to be disposed to loan out money in order to move the tobacco crop, but owing to these various restrictions and the almost prohibitive rates of freight, also the inability of selling foreign exchange.

Yours, respectfully,

E. K. VIETOR & Co.

EKV/G

EXHIBIT 26.

[Smokeless Fuel Co., miners and shippers New River and Pocahontas smokeless coal.]

NEW YORK, December 29, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington.

SIR: As a matter of consideration at the forthcoming conference in relation to American shipping, it strikes us that, while waiving for the time the inability, insufficiency, and lack of desire of American shipping to cooperate with shippers of American coal to South American ports in competition with Cardiff, particularly—competition being almost solely a matter of transportation—it would be well to note the fact that our west coast is now open to and is already trading with Cardiff shippers under relatively favorable transportation rates, notwithstanding the haul is one and a half times that from Hampton Roads to, say, San Francisco. American shippers (not the United States Government) are prohibited the use of the advantage of competition of foreign-flag ships in the movement from the east to the west coast. It would appear that if American shippers are prohibited from availing themselves of the same character of competition that is enjoyed by the United States Government under similar conditions that some provision should be made for the protection of American shipping interests, that they may enjoy the willing trade of their compatriots, instead of using the canal to open up markets of the United States to Cardiff coal. Since American shippers of coal are willing and do make a decidedly lower price for their product than English competitors on similar grades of coal, it must be clear that the matter of transportation is "a nut to crack."

Respectfully,

J. A. RENAHAN.

EXHIBIT 27.

[The Black Diamond.]

NEW YORK, December 30, 1914.

Hon. W. G. MCADOO,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: Noting the investigation being made by your department into the vessel and freight rate situation, the writer believes that you can obtain some very pertinent information on this question from some of the principal coal companies who are now engaged in exporting coal. This business has been almost prostrated by the inability of shippers to secure vessels and upon terms that will permit them to make shipments.

Under separate cover we are mailing you two copies of The Black Diamond of the issues of December 12 and 26.

In these two numbers you will find several marked articles that we believe would be of interest to you, inasmuch as they deal with transportation questions.

Very truly, yours,

THE BLACK DIAMOND,
R. M. BRYAN, Eastern Manager.

EXHIBIT 28.

[McEwen Lumber Co., manufacturers and dealers in hardwood and white pine lumber, hardwood flooring.]

AZALEA, N. C., December 29, 1914.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

DEAR SIR: Referring to item in New York Herald indicating your desire for information concerning the effect of the present ocean rates upon business, would say that for our part the present rates are practically prohibitive, as they have advanced 10 and 15 cents per hundred-weight, and in many cases even these rates are not protected, except for immediate acceptance and subject to confirmation by steamship lines, thus making it impossible for shipper to quote delivered prices with any certainty that the rates on which he bases his quotations would be confirmed. Further than this, it is our information that the steamship companies are giving other tonnage carrying higher freight rates preference, and in some instances are limiting their boats to a certain small amount of lumber tonnage. There is certainly a need of more boats and some method of obtaining reasonable and dependable rates which shall be protected long enough at least that we might be able to get quotations by mail to our customer on the other side and his reply.

As illustrative of the present situation, we quote you below from letters received from the Virginia Line, operating from Norfolk and Newport News, upon whom we are dependent for the larger amount of our export business:

"We further beg to advise that we will only be able to make contracts for a specific number of cars for shipment by one steamer. In other words, we will not be able to make contracts for a maximum and minimum number of cars for shipment over a period of time.

"You must not feel that this is an arbitrary position which we are taking, as such is not the case, and it is due entirely to circumstances over which we have no control. So many of our steamers have been requisitioned by the admiralty that we have not enough steamers to go around, and if you are at all familiar with the vessel situation you will know that there is an extreme shortage in vessel tonnage due to the fact that the British Admiralty has requisitioned about 25 per cent of the vessels under the British flag, and the further fact that all of the German and Austrian steamers are laid up. If conditions were normal we would have plenty of vessels to take care of all tonnage offering and would be only too glad to place the room at the disposal of our friends, but as our available tonnage has been reduced more than 50 per cent, it is simply a question of doing the best we can and apportioning our room as equitably as possible."

You will see from the above that we have no certain assurance of being able to forward our lumber, and all the charges, storage, track-

age, etc. that might accumulate at seaport owing to the steamship lines' failure or inability to take the lumber would be at our expense.

Trusting that this letter may be of service to you, and that some relief may be obtained, we remain,

Yours, very truly,

McEWEN LUMBER Co.,

W. B. McEWEN, President.

EXHIBIT 29.

[McEwen Lumber Co., manufacturers and dealers in hardwood and white-pine lumber, hardwood flooring.]

AZALEA, N. C., January 8, 1915.

Mr. A. J. PETERS,
Assistant Secretary of the Treasury, Washington, D. C.

DEAR SIR: Acknowledging yours of the 5th instant and supplementing our letter of the 29th ultimo, we beg to quote below letter dated December 30 from Lunham & Moore, export freight brokers, Produce Exchange, New York City, written to us in response to our application for rates to Copenhagen:

"Our favor of the 28th instant to hand. Lumber rates are not very encouraging, and the best we can quote you to-day is as follows, which apply from New York only to both Copenhagen and Christiania: Oak lumber, 100 shillings and 5 per cent per 2,240 pounds; poplar lumber, 102 shillings 6 pence and 5 per cent per 2,240 pounds.

"All freight to be prepaid. We quite realize that these rates are entirely too high to enable you to make shipments. No room until March-April steamship agents' option."

From the above you will note the high rates asked for movement of freight. These rates amount on oak lumber to about \$45 per 1,000 feet. On poplar lumber to about \$35 per 1,000 feet.

Our last quotation on lumber moving from New York City to Copenhagen and Christiania just prior to the outbreak of the war was 31 cents per 100 pounds, as against the rate named above, which is equivalent to \$1.14 per 100 pounds on oak lumber. Poplar in proportion. We mention this for your information, and if there is anything further that you wish to know along this line we will be glad to communicate further with you.

Yours, very truly,

McEWEN LUMBER Co.

EXHIBIT 30.

[Hooker Electrochemical Co.]

NEW YORK, December 28, 1914.

Hon. WM. G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: We notice by the press that the Government desires information in reference to export rates and the difficulties which business is meeting with in regard to foreign trade.

We are manufacturers of caustic soda, with one of the largest electrolytic plants in this country, located at Niagara Falls, N. Y. We have been endeavoring for the past three years to build up an export business on caustic soda. Our main competitors are Brunner Mond & Co., and United Alkali Co., of England. Germany, also, just prior to the war, was exporting caustic soda. There is about 20 per cent over-production of caustic soda in the United States which is seeking foreign markets. We have been gradually building up trade with Mexico, Cuba, Japan, and South America.

Within the past month we have found a growing impossibility to procure rates which will permit of our moving our product to foreign ports in competition with the English transportation rates. This applies especially to European ports, where rates have increased from 200 to 300 per cent since November 1, and even at these exorbitant rates it is impossible to get room for prompt shipment.

We can not urge too strongly the necessity of procuring proper tonnage to carry commodities seeking a foreign outlet and this tonnage should be available at once in order to benefit the United States manufacturer. If we are to take a position which we have never heretofore occupied in the markets of the world, we should do so immediately and this does not permit of delays necessary to build and construct vessels of considerable size to carry this tonnage.

It seems to us the only solution of the present difficulty would be for this Government to lease or purchase if possible, sufficient tonnage to relieve the present situation, or it might be possible for the Government to use a number of its transports and colliers in handling commercial freight.

We are in position to compete actively with British manufacturers of caustic soda on quality, price, and terms of payment to foreign buyers, but notwithstanding this position on our part and in spite of persistent and intelligent effort, we find our export business seriously limited by this lack of bottoms.

Anything this Government can do to increase the supply of vessels engaged in ocean transportation would be a help to us and to hundreds of other manufacturers in the same position as ourselves.

Respectfully, yours,

JOHN F. BUSH,
Vice President.

EXHIBIT 31.

[Industrial Lumber Co., Calcasieu long-leaf yellow-pine lumber.]
ELIZABETH, LA., January 5, 1915.

Mr. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

HONORABLE SIR: We have recently noticed a dispatch in one of the newspapers to the effect that you desire information from shippers as to freight rates and scarcity of vessels for export shipments since the opening of the European war.

We have in the past exported considerable lumber to England, Holland, Germany, and some to France. Since the war, however, we have been unable to make any shipments, primarily because of the uncertainty of securing vessels; also on account of the excessive freight rates.

Formerly the freight rate on this character of shipment was about \$8 per 1,000 feet, board measure. The best information we can secure now is that the vessels are asking from \$18 to \$20 per 1,000 feet, board measure. We have some small parcels of lumber at our port now ready for shipment, but are unable to make a sale, owing to the above-mentioned conditions. Some few cargoes have been forwarded

by other parties, but so far we have been unsuccessful in making sales under existing conditions.

We appreciate your efforts along these lines and sincerely hope that you will be able to bring about some relief to exporters.

Yours, very truly,

INDUSTRIAL LUMBER CO.,
R. M. HALLOWELL,
Vice President and General Manager.

EXHIBIT 32.

[Markt & Hammacher Co., American manufacturers' export agents.]
NEW YORK, January 5, 1915.

The honorable SECRETARY OF THE TREASURY,
Washington, D. C.

Freight Charges to European Ports.

DEAR SIR: We notice in the daily press many articles concerning the exorbitant freight rates now charged by steamship companies taking cargo to the European countries, especially the neutral markets. We further understand that it is the desire of your department to take up this matter in a very serious manner, investigating these conditions, which we personally believe are entirely uncalled for.

We admit and believe that it is necessary under the present trying conditions for the steamship companies to advance their rates over normal rates to a certain extent, say 25 per cent or even 50 per cent over normal rates, but when steamship companies are quoting and charging three times the normal rates, and in some instances even four times the normal rates, we feel that it is absolutely an imposition on the part of the steamship companies to demand such freight rates.

For instance, to cite one case, on ice-cream freezers our freight rates to either Naples or Genoa are 25s. plus 5 per cent per 40 cubic feet, or 2,240 pounds. To-day, upon application to one of the steamship companies for freight reservation on steamer sailing the early part of this month to Genoa, we are quoted on the same commodity a rate of 75s. plus 5 per cent primage per 40 cubic feet, or 2,240 pounds.

We submit the above to you, as we believe you are interested in knowing from actual shippers the rates now quoted and charged by the steamship companies, and hope that you will use your good offices in bringing about a fair ocean freight rate to the various ports of Europe, notably, of course, the neutral ports.

We are very large shippers of American industrial products to the Continent of Europe, and ship annually several thousand tons of goods to Europe. Owing to the war, however, our shipments have been considerably reduced, and we stand ready to give you any further information that you may require from time to time.

Thanking you in advance for ourselves and in behalf of our other friends in a similar line of business for any efforts that you will make, we are,

Yours, respectively,

MARKT & HAMMACHER CO.,
J. TINTSCHGER.

EXHIBIT 33.

[The Tuemler Co. (Inc.), exporters of lumber and timber.]

PENSACOLA, FLA., Saturday, January 2, 1915.

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: Our attention has been called to a newspaper article wherein it is stated that you have invited shippers for an expression as to the increase in freight rates demanded for ocean traffic, with facts and figures.

We shall confine ourselves to freight rates from the Gulf, and on pitch pine wood goods especially, as we are exporters who deal in principally such lumber.

We have compiled from freight reports a list of steam and sail tonnage fixtures, which proves that freight rates at normal times, in July, were about 70s. to 75s. to the United Kingdom and 90s. to Italy for steamships. There were practically no charters made in August for prompt loading, as shippers were unable to sell owing to pending credit arrangements, which were necessary on account of the war. Deck loads can not be shipped to Great Britain from the Gulf for arrival after the 15th of October, and rates increased some 20 to 25 per cent, which is not unreasonable, as owners should be recompensated for the reason that deck loads to other countries, as in time of peace to Holland and Germany, were not available, owing to the European war. However, freights rose from 100s. to Great Britain late in September to 180s. and higher, which owners are asking for prompt loading to Great Britain, and 200s. to Italy; and even at these figures it is difficult to charter, as cotton and grain cargoes appear to be more desirable from the viewpoint of the owners.

The rates for full cargo steam tonnage are based on a certain form of charter—the Pixpinus charter.

Liners are asking 200s. from New Orleans and Mobile to Liverpool for lumber on liner bill of lading, which is equivalent to about 220s. on Pixpinus form.

Sail tonnage, late November, was about 100s. to the United Kingdom on basis of a charter called the "S2 form," and the last fixtures, late December, were at 150s. to the same destination and on the same charter form for vessels in the same position.

The increase in rates is said to be due to the elimination of the German and Austrian tonnage and part of the British mercantile fleet, which is being held at the disposition of the British Government. However, in our opinion, the enormous advance is not in line with the elimination of this tonnage; the list which we are inclosing shows that at the beginning of the war the increase in freights was only slight, even though at that time all the German and Austrian tonnage was practically eliminated; war risk can be covered at a reasonable figure, and could not be the cause for an increase in rates beyond a reasonable figure.

From our viewpoint it is hard to account for the exorbitant freight rates, which have proven such a handicap to exporters, especially to those in our line of business, and we are heartily in favor of Federal legislation which would encourage American capital to own vessels under the American flag and enable them to compete successfully with foreign owners.

Yours, truly,

THE TUEMLER CO. (INC.),
ROBERT TUEMLER, President.

EXHIBIT 33A.

List of pitch-pine charters, sail and steam, from the Gulf to the Continent, United Kingdom, and South America.

Reported.	Name of vessel.	Destination.	Loading time.	Freight rate.
1914.				
July 15.....	S. S. Rivulet...	Rotterdam, Tyne.	July-August	76s. 3d.
July 4.....	S. S. Rose Lea...	Holland, east coast.	July.....	73s. 9d.
Do.....	S. S. Penistone...	West coast Italy.	.....do.....	87s. 6d.
July 22.....	S. S. Oceana.....	Italy.....	July-August	90s. 6d.
Aug. 5.....	Cameron's ¹	Liverpool.....	Prompt.....	80s.
	S. S. Elfrand.....	Holland.....	August.....	75s.
Sept. 9.....	Fides ¹	River Plate.....	October.....	\$11.
	Oakhurst ¹.....	.....do.....	September-October.	\$11.50.
Sept. 16.....	S. S. Parkhaven.....	.....do.....	October.....	120s.
	S. S. Brookwood.....	Hull and Tyne	September.....	95s.
	S. S. Veerhaven.....	River Plate.....	October.....	117s. 6d.
	S. S. Hyltonia.....	United Kingdom.	September.....	90s., 2 ports.
Sept. 23.....	S. S. Waltham.....	.....do.....	.....do.....	92s. 6d.
Sept. 30.....	S. S. Nevisbrook.....	.....do.....	Prompt.....	.....do.....
Oct. 21.....	Blanca ¹	Rio de Janeiro.	November.....	\$11.
Oct. 17.....	S. S. Twilight.....	United Kingdom.	Prompt.....	87s. 6d., 2 ports.
Oct. 21.....	S. S. Eemdyk.....	River Plate.....	November.....	110s.
Nov. 14.....	S. S. Antigua.....	United Kingdom.	.....do.....	105s.
Nov. 18.....	S. S. Menapier.....	Genoa.....	December.....	155s.
Dec. 2.....	S. S. Yzerhandel.....	.....do.....	.....do.....	155s.
Dec. 9.....	Beatrice ¹.....	.....do.....	December-January.	120s.
	Bris ¹	United Kingdom.	.....do.....	120s.
	Doon ¹.....	.....do.....	.....do.....	110s.
	Ethel Boynton ¹	Genoa.....	Prompt.....	\$15.
Dec. 23.....	Elise ¹	United Kingdom.	January-February.	135s., west coast.
	Collingwood ¹.....	.....do.....	.....do.....	Do.
	Haakon ¹.....	.....do.....	.....do.....	Do.
	Gantock Rock ¹.....	.....do.....	.....do.....	Do.
	Craigslia ¹.....	.....do.....	February.....	135s., west coast, 140s., east coast.
Dec. 26.....	Rosefield ¹	Cadiz.....	Prompt.....	\$18.
	Glen ¹	United Kingdom.	.....do.....	140s., east coast.
Dec. 30.....	Benestvet ¹.....	.....do.....	February.....	130s., west coast.
	Dione ¹.....	.....do.....	.....do.....	125s., west coast.
	Annie ¹.....	.....do.....	January-February.	140s., west coast.
	Nordstern ¹.....	.....do.....	March.....	135s., west coast.
	Marga ¹.....	.....do.....	.....do.....	120s., west coast.
	Hudson ¹.....	.....do.....	Prompt.....	Do.
	Springfield ¹	Genoa.....	.....do.....	\$17.25.

¹ Sailing vessel.

EXHIBIT 34.

[Walter A. Wood Mowing & Reaping Machine Co., general offices and works, Hoosick Falls, N. Y., U. S. A.]

HOOSICK FALLS, N. Y., January 9, 1915.

The honorable SECRETARY OF THE TREASURY,
Washington, D. C.

SIR: I have noticed recently articles appearing in some of the New York papers in regard to the difficulty experienced by certain manufacturers who have orders for goods to be shipped abroad in making proper arrangements for such shipment under reasonable protection. I feel justified in writing you in regard to the situation of our company in connection with the handling of our foreign trade this season.

The Wood Co. has enjoyed for a great many years a very satisfactory foreign trade. We have had an office under our own management in London since 1857 and in Berlin since 1875, and have located in the different continental countries many agents, who have been selling Walter A. Wood machines from 30 to 40 years, and even, in some cases, 50 years. Quite considerably more than half, therefore, of our entire business is foreign. Of this foreign trade quite a large proportion comes from Russia, Germany, Austria and Hungary, and France, or countries within the war zone.

You can readily appreciate that the unfortunate war has had quite a serious effect upon our business this year. We can hope for very little, if any, business from Russia, Germany, Austria, or Hungary. It is quite probable, however, we may have some business with France. We have already received requisitions and orders for our product from our London office, which controls the trade in the United Kingdom, and also certain trade with Spain and South Africa, which is controlled from that office. We have also received orders from our Scandinavian agents, all of whom have been representing our company for from 35 to 40 years. Orders have also been received from our Italian agents and from certain South African agents who are dealt with direct from our home office.

Naturally we are anxious to protect these orders, and in such a way that we will at the same time best protect the interests of our agents and the trade controlled by our London office. We find, however, that the cost of getting goods to foreign ports and the uncertainty of proper shipping facilities is becoming a great menace, and will have a very serious effect on the business that we have in hand and wish to protect. At this time it is a serious question how we are going to be able to handle the orders which we have received from our Scandinavian agents. The freight rates to Scandinavian ports have been advanced enormously, from 2 to 250 per cent as compared with last year. Insurance rates are also very excessive; competition in our line in Scandinavia is very keen, for there are quite a few

manufacturers building harvesting machines and agricultural implements located in the three Scandinavian countries with whom our agents have to compete. The margin of profit at best is small. Under our contracts with these agents prices are based upon delivery f. o. b. New York City, so that the agents have to pay the cost of getting the goods from New York to their respective ports. If we are compelled to ship under the present freight rates to Scandinavian ports, plus the abnormal insurance rates, the increased cost to our agents will, we know, wipe out all the profit that they would hope to enjoy on the machines which they would have ordered of us this season.

This same situation affects, although not to so great an extent perhaps, shipments to other ports. All freight rates to United Kingdom ports have been considerably advanced. While it is possible to make contracts covering the next three months, the rates are all much higher than last year. If contract is not made and you ship only under the open rate, the difference between the open rates and the rates of last year is very great. To illustrate, under the best contract that we can now make on shipments to Liverpool and London, the freight rate on our different machines increases the cost of getting the machines or implements from New York to Liverpool and London \$1.50 to \$2 on mowers, \$3 to \$4 on reapers, \$5 to \$6 on binders. While there is some reason, perhaps, why insurance rates should be abnormally high, still we can not but feel that the steamship companies are taking advantage of present conditions to exact rates which are all out of reason and which are unjust and unfair. We know that unless something occurs to improve the present situation the result of our particular business will be that we will run the risk of having certain orders canceled from some of our foreign agents, and we will be subjected to additional expense in handling shipments to other agents and to trade controlled from our London office, which will practically take away all of the profit which we hope to enjoy. At very best, with a limited output, as compared with the average of the last few years, due to the war, to have to do what business can be secured under conditions which make such business hardly profitable, it seems a greater burden than we should be called upon to bear.

It would appear to us that there never was a more opportune time for this country, either under legislative action or private capital, to create a merchant marine, for lack of which, in our judgment, this country has suffered for many years. We can only hope that some measures may be enacted or some policy created which will relieve the present situation, and in time to affect our business interests this year. I trust you will pardon, perhaps, the length of this letter, but it is difficult to put the situation as it affects us before you in any other way, and even now we have only treated with it in a very general way.

We are inclosing a short, rather concise memorandum, showing the comparison of rates to certain ports, which will illustrate to a small extent, at least, the effect on shipments that we have to these ports, and there are many others which are not included in the list.

Respectfully,

DANFORTH GEER, *President.*

Since dictating this, have received a cable from our Paris agents canceling orders on account of excessive freight rates.

EXHIBIT 34A.

[Memorandum in regard to foreign rates and shipping facilities under war conditions.]

All ocean freight rates have been largely increased. The increase ranging from 15 per cent in the case of certain United Kingdom ports to 400 per cent for certain eastern Mediterranean ports.

The following comparisons of rates will serve as examples:

	1914	Present rates.
Glasgow.....	15s. and 5 per cent.	17s. 6d. and 5 per cent.
Bristol.....	do.	20s. and 5 per cent.
Liverpool.....	11s. 3d. and 5 per cent.	30s. and 5 per cent.
Rotterdam.....	6 cents per cubic foot.	20 cents per cubic foot.
Copenhagen.....	13s. 9d. and 5 per cent.	40s. and 5 per cent.
Stockholm.....	18s. 3d. and 5 per cent.	41s. 3d. and 5 per cent.
Bilbao (and other Spanish ports).....	20s. and 5 per cent.	40s. and 5 per cent.
Havre.....	\$2.25 net per 40 cubic feet.	\$12 and 5 per cent.
Bordeaux.....	\$2.90 net per 40 cubic feet.	\$11 and 5 per cent.

NOTE.—Unless otherwise indicated rates are shown in shillings per 40 cubic feet.

There are comparatively few ships available to the ports listed above, and if we were shipping a normal amount of cargo, great difficulty would be experienced in securing space for it. As it is, our shipments frequently fail to make the steamer for which they are engaged, although no notification is sent to us until after the steamer has sailed. Sailing dates are irregular. The date on which a boat actually sails is from a week to six weeks after the original published sailing date.

(Signed) W. H. C.

JANUARY 5, 1915.

EXHIBIT 35.

ST. LOUIS, MO., January 13, 1915.

Hon. W. G. MCADOO.

DEAR SIR: I had consigned to my order some freight to France the first week in November last and the rate was 52 cents a hundred pounds from St. Louis. I am paying now 98 cents a hundred pounds for same shipment. I have just returned from abroad. It does seem to me that this unheard-of advance in ocean freight rates should be investigated.

Yours, truly,

B. C. EDMUNDS.

EXHIBIT 36.

[H. Frank Darrow, wholesale importer of nursery stocks, hothouse plants, bulbs, seeds, raffia.]

New York, December 29, 1914.

Hon. SECRETARY OF THE TREASURY,

Washington, D. C.

DEAR SIR: Referring to your request in regard to exporters making statements of overcharges on ocean freight rates to Europe, would say

that I am a large exporter of grass seed, and in former seasons I have paid from 35 to 50 cents per 100 pounds on the French Line sailing from New York to Havre, while on steamship *Chicago* sailing to-morrow, the 29th instant, I have been compelled to pay \$1.50 per 100 pounds ocean freight, which I consider is prohibited to the export trade, and I should therefore be very glad to have your assistance to relieve us from any further exorbitant charges of this kind if possible.

Thanking you in advance for the courtesy of a reply, I remain

Yours, respectfully,

H. FRANK DARROW.

EXHIBIT 37.

[The Wysham Co., manufacturers and importers baskets, woodenware.]

BALTIMORE, December 28, 1914.

SECRETARY OF THE TREASURY OF UNITED STATES.

Washington, D. C.

DEAR SIR: We beg to call your attention to the excessive freight charges we were compelled to pay on last two shipments we received from Rotterdam. The Holland-American Line were the carriers. They advanced freights twice; the first advance was heavy but the second is very excessive.

Yours, etc.,

THE WYSHAM CO.
J. KEMP WYSHAM.

EXHIBIT 38.

[Ike Mannheimer, green and dried apples.]

ROCHESTER, N. Y., December 28, 1914.

SECRETARY OF THE TREASURY,

Washington, D. C.

DEAR SIR: I refer to inclosed newspaper clipping, and am glad to see that you will investigate the high ocean rates and the scarcity of vessels. In connection with the Scandinavian-American Line out of New York (Messrs. Funch, Edye & Co., agents), I have had so much trouble in securing space to Copenhagen and in getting the goods on board steamer even after the space had been promised that I was compelled to stop selling goods to Copenhagen. From last year's rate of 35 cents per 100 pounds on dried apples and of \$1 per barrel on fresh apples, this line advanced to 53 cents, then to \$1, per 100 pounds on dried apples and to \$1.50, and after that to \$2 per barrel on fresh apples, so that the freight on fresh apples in barrels is almost equal to the value of the apples and practically prohibitive.

The Norwegian-American Line (Messrs. Benham & Boyesen, agents) has until recently given me very satisfactory service out of New York for points in Norway, such as Christiania, Bergen, Stavanger, Aalesund, etc., but has now also advanced the rates to the above maximum quotations and notified me within a short time that no space is available until next April. Hope that you will succeed in getting better and cheaper facilities, and I shall be glad to get notice from you to that effect in the near future.

Respectfully, yours,

IKE MANNHEIMER.

EXHIBIT 39.

[Stengel & Rothschild, tanners and manufacturers of patent enameled and fancy leather.]

NEWARK, N. J., December 29, 1914.

SECRETARY OF THE TREASURY,

Washington, D. C.

DEAR SIR: We notice in the *Journal of Commerce* of December 26, that you ask for information regarding export shipping difficulties and high freight rates from American shippers, and we take this opportunity to inform you that we are experiencing considerable difficulties with shipments of our goods to Italy. We have been shipping these same goods to Italian clients for a number of years, and they are being shipped in regular order of business. We have, however, to obtain permission from the Italian consul against declaration made that the goods are for home consumption, and which declaration has to be approved by the British consul in New York. It is further necessary for the consignee in Italy to make another declaration to the same effect, which has to be approved by the British ambassador at Rome and forwarded to Gibraltar before arrival of steamer carrying the goods at that port.

It is very difficult to get shipping accommodation at all, the Italian steamers seem to be crowded with freight and the rates now demanded are exorbitant. For instance, the normal freight rate for patent leather in cases has been 50 shillings per ton, with possibly 5 per cent primage, but we have just been asked a rate of 120 shillings plus 5 per cent for the same class of freight. This certainly appears to be an exorbitant rate and anything that can be done to get better shipping facilities will be highly appreciated by the business interests of this country.

Respectfully submitted,

STENGEL & ROTHSCHILD.

EXHIBIT 40.

[Extract from letter to Secretary of the Treasury from R. R. Dancy, cotton and cotton linters, Houston, Tex., dated Dec. 26, 1914.]

Last week brokers asked \$17 per bale freight to Germany (Bremen), now \$14. Surely the United States Government can and should control the situation and shipping and insurance to such extent that if only one steamer could be had her charter or freight charge should be in the limit of reason, controlled by the Government and not by sharks and sharps. Needs no probe, but action in distress.

EXHIBIT 41.

[California Fig Syrup Co.]

LOUISVILLE, KY., January 15, 1915.

Hon. W. G. MCADOO,

Secretary of the Treasury, Washington, D. C.

DEAR MR. MCADOO: We beg to advise you that we do considerable foreign shipping to London, England, and Sydney, Australia, and it has recently come to our notice that the ocean freight rates now charged by the steamship lines to various ports have increased some 200 per cent. It was our understanding that there were sufficient vessels to carry cargo that was offered for shipment, and we are at a loss to understand why these excessive freight rates should be charged by the

various lines. We therefore wish to file a protest against the exorbitant rates now made, and would very much appreciate your views on the subject and the reasons for these excessive rates.

Yours, very truly,

CALIFORNIA FIG SYRUP Co.,
H. H. AINSLIE.

EXHIBIT 42.

[Garcia & Maggini Co., importers and exporters of tropical and California fruits, general commission merchants, packers of dried fruits, nuts, dates, honey, beans, etc.]

SAN FRANCISCO, CAL., January 5, 1915.

The SECRETARY OF COMMERCE,

Washington, D. C.

DEAR SIR: We read in the New York Times a special to that paper from Washington, in which it is said that your department would be glad to be informed regarding the difficulties the exporters are meeting for lack of space to European neutral countries.

We beg to say that we ourselves have shipped in the last two months five or six hundred tons of dried fruit to New York through the canal of Panama for reshipment to Scandinavian ports and also to Holland.

To a great extent, these goods have been in New York for a long time, for the reason that our forwarding agents, Messrs. C. B. Richards & Co., could not get any space.

Besides freight rates have advanced over 300 per cent since the war broke out, and lately, and within 15 days, freights have advanced fully 100 per cent.

It seems that whenever the Scandinavian-American Line are asking higher freight rates other lines do so too, and now even the Holland-American Line is asking 100s. per 2,240 pounds, while only a few days ago this company asked 45s. per 2,240 pounds.

These advances in freight rates are made without notice, and even previous engagements have not been protected, so that the shippers instead of making a small profit on their sales to European countries are losing money.

At the present time the freight rates from New York are so high that business will suffer a good deal through these high freight rates, at least as far as goods from this coast are concerned.

To England and France freight rates have not advanced to such an extent, but unfortunately British and French steamers seem to be unavailable for other countries than England or France.

It is greatly to be regretted that American steamers could not be had, because we think if only one regular line to Scandinavia could be established with American steamers at reasonable freight rates the situation would become more normal.

We beg to remain,

Yours, very truly,

GARCIA & MAGGINI Co.,
Per A. ASHER.

EXHIBIT 43.

[William Haas & Sons, manufacturers and exporters of "D" shovel handles.]

HOUSTON HEIGHTS, TEX., December 28, 1914.

UNITED STATES COMMERCE DEPARTMENT,

Washington, D. C.

GENTLEMEN: We respectfully call your attention to the paralysis of our business due to the exorbitant ocean freight rates now being imposed upon the manufacturers and producers of this country. For years our entire output has been disposed of abroad, but owing to the present prohibitive tariffs in ocean transportation we are unable to deliver our goods, consequently our plant will remain closed down until such rates are established as will enable us to market our goods. The majority of our shipments have heretofore gone via Liverpool and Manchester.

In our judgment a Government merchant marine will solve the problem.

Very truly,

WM. HAAS & SONS,
By WILLIAM HAAS, SR.

EXHIBIT 44.

[Coplay Cement Manufacturing Co., manufacturers of Saylor's Portland cement.]

NEW YORK, December 28, 1914.

SECRETARY OF COMMERCE,

Department of Commerce, Washington, D. C.

DEAR SIR: The newspapers of our city advise that the Treasury Department are seeking information regarding the abnormal increase in ocean transportation rates and the scarcity of ships to accommodate export business.

While we are not direct shippers, and do the main part of our export business through commission firms of this and other cities, we are constantly thrown into relationship with the steamship lines, and it has been our experience that the shipping rates have advanced so rapidly that our shipments have been practically suspended, due to the two facts above mentioned, scarcity of ships and increase in freight rates.

Before the month of July, 1914, shipments of Portland cement to the Argentine Republic and Uruguay were possible at \$2.45 per ton; to Rio de Janeiro, Brazil, \$3.60 per ton. These rates were advanced the early part of August 50 per cent; were subsequently reduced, so that the advance was equivalent to 25 per cent for the July rates, and these rates have advanced since the latter part of September until now they are \$6 per ton to Rio by some lines and \$8.50 per ton by other lines; \$6 per ton to the Argentine Republic; and notwithstanding these high rates there is no possibility of obtaining ships, transportation, or accommodation for our product.

Among those who are able to give you direct information regarding the scarcity of ships and freight rates are: Mr. Connors, freight transportation manager, Paul Gerhardt & Co., 10 Bridge Street, New York City; Mr. William Gene, Lamport & Holt Line; Busk & Daniels, agents, Produce Exchange, New York City; Mr. P. Thield, Houlder, Wear & Boyd (Inc.), 24 State Street, New York City; Mr. Betz, Funch, Edey & Co., 10 Bridge Street, New York.

The scarcity of shipping seems to be directly due to the fact that the tempting charter rates furnished to the steamship lines to divert their steamers from the channels which they have followed has resulted

in withdrawing a great number of their steamers from the South American trade to the European.

From all information that I can obtain there seems to be ample cargo furnished to more than take care of a very much larger amount of tonnage than is now being used in the South American trade. However, before the outbreak of the European war American business men were compelled to submit to the steamship freight rates which were arranged by committees in London or other foreign ports and forwarded to their agents in America. Now that the European war is going on, some steamship lines, probably acting upon orders from their English and other foreign owners, have diverted their steamers, one by one, so that they are at this moment practically unable to give any definite idea of their sailing dates.

I have heard that the charter rates are being advanced considerably. This is probably due to the danger ships encounter in mined fields and to the great demand for ships to carry supplies for the troops now in action abroad. Whatever the cause is, American business men and shippers for export in all lines of goods have been made to suffer. While I am personally unable to more than give you this information from conversations had with some of my customers who in turn have the information more direct from the companies themselves; also, some of my information, but not a great deal of it, does come from the shippers, the parties whose names I have mentioned can give you valuable information regarding the increase in ocean freight rates of the South American trade.

Yours, very truly,

ALBERT FARJEON,
Export Manager.

P. S.—I have heard that subsidies have been granted to some of the foreign steamship lines, one of the conditions being that one-third of the cargo would have to be heavy-weight material, such as cement, iron, etc. The steamship companies were therefore obliged to carry heavy cargo. We have experienced a great deal of trouble with the steamship companies in arranging freights, all of them claiming they do not want to carry cement at any price.

A. F.

EXHIBIT 45.

[American Tripoli Co.]

SENECA, Mo., December 28, 1914.

DEPARTMENT OF COMMERCE AND LABOR,

Washington, D. C.

GENTLEMEN: We clipped the attached item from the St. Louis Globe-Democrat, and although our export business is very small compared with the larger concerns of the country and alone would hardly count in the grand total of the country's exports, yet we believe that there are a great many small exporters like ourselves, whose total business would be quite an item in the total for the year; and we believe also that small concerns like ourselves are probably worse hurt by any and all adverse conditions, for the very reason that our business being small we do not get the consideration that a very large concern, whose business would be a large item in the business of any steamship line, would receive for two reasons: First, the business itself because of its small volume is not so desirable, and second because being small concerns the steamship company would feel that any complaint that we might make would receive but small attention.

This last may even be true in this case; but we believe that if all the small exporters whose business is very greatly affected by the present prevailing conditions would write to your department, their great numbers and the greater cause for complaint which the small shippers probably have would demand attention.

We attach four letters that we have recently received from the J. H. W. Steele Co., of New Orleans, who attend to the forwarding of our export shipments, and through whom we get quotations of rates, make contracts with the steamship companies for the transportation of shipments, etc.

We have an offer of some orders from Barcelona, Spain, and the first two of the attached letters refer to our effort to get quoted us a rate from New Orleans to Barcelona; and you will see that the steamship company operating steamers to Barcelona refused to quote rates at all. In the first letter the reason given was that other commodities which permit of a higher rate are being carried so that our material, which must have a lower rate, is not at all desirable, and they even refuse to quote rates at all. Thus we are not able to quote prices to the firm in Barcelona, even though conditions might be such that we could even pay a high rate of freight and still do business.

The letter dated December 10 refers to an effort to make a contract with the Harrison or Leyland Line covering our shipments for a period to Liverpool, so that we would be able in turn to make a contract with our English friends for a like term at a specified price. You will note that they had inclosed with this letter one from the Harrison Line indicating that "They are not inclined to make a contract at present." Not being able to make a contract with the steamship company operating to Liverpool, of course we can not make a contract with our English friends to supply them with our material.

The fourth letter, dated December 18, quotes us a rate of 49 cents per 100 pounds from New Orleans to Havre, France, and for comparison, will say that just previous to the European war, on July 3, 1914, we made a shipment at the rate of 18 cents per 100 pounds, a little more than one-third of the rate now asked. This high rate is, of course, prohibitive on a commodity such as ours.

This letter also replies to our inquiry regarding war insurance, and also states that "Further, rates are quoted to become effective within two weeks, and agents, therefore, would not quote rates on shipments moving in the middle or latter part of January." We take it that this clause means that rates are only quoted for two weeks in advance, and since it takes approximately 24 days to send a letter to Paris and get a reply back here, the rate would be ineffective before we could possibly quote prices to Paris, and get an order in reply, even though these high rates were not prohibitive.

The last clause of this letter again states that they are unable to get a rate quoted to Barcelona, though there are steamers making regular sailings for that port.

We hope that our testimony herein contained, together with all the other from larger shippers, will be such that some measure can be taken that will relieve shippers of these unprecedented and impossible conditions.

Kindly see that the attached letters are returned to us.

Yours, sincerely,

AMERICAN TRIPOLI Co.,
Per ROBT. ORNDUFF, Treasurer.

EXHIBIT 46.

[Extract from a letter to the Secretary of Commerce from David C. Reid, 18 Broadway, New York, dated January 2, 1915.]

For your information and guidance, the question of getting tonnage at the present time for trans-Atlantic business is practically impossible. I have offered by cablegram up to 10s. 3d. Government form per deadweight ton and was refused by my London correspondents, who state that much higher offers must be made before tonnage can be procured. Under ordinary circumstances these tramp steamers I made the offers for in good faith could be secured at 3s. per deadweight ton. Conditions with us are almost impossible. Tonnage is unprocureable at almost any except the most extraordinary and prohibitive terms. I speak now of the cargo steamer for the general carrying tramp steamer trade. Anything that can be done to put tonnage in the market should be done.

EXHIBIT 47.

[David C. Reid, broker for the sale and charter of American and foreign ships.]

NEW YORK, January 4, 1915.

Hon. W. C. REDFIELD,

Secretary, Department of Commerce, Washington, D. C.

DEAR MR. REDFIELD: Many thanks for your kind telegram. 45s. per ton was asked for coal freight to Italy this morning from Norfolk; London refused 10s. 3d. per month, time charter, on Saturday, and 13s. was bid this morning which, I believe, will also be refused on tramp tonnage Government form.

Conditions here are indescribable; everything possible should be done to get tonnage moving.

Very truly, yours,

DAVID J. REID.

Ordinary tramp rates about 3s. What are the poor people in Europe to do? How are they to live?

EXHIBIT 48.

[W. H. Moore & Co.]

BALTIMORE, MD., December 28, 1914.

DEPARTMENT OF COMMERCE, Washington, D. C.

GENTLEMEN: In the name of the Leaf Tobacco Association of Baltimore City, of which I am president, I desire to file with your department an urgent protest against the unwarranted advance in freight rates on tobacco as recently established by the Holland-American Line. Some of our exporting members shipping to Holland points have signed contracts with this company expiring December 31, 1914, for a rate of \$3.50 per hoghead of tobacco. This contract has been disregarded entirely and the rate increased first to \$5.25, then to \$6.85, and to-day a notice that it will be \$7.50 until further notice. This, I repeat, in the face of the written contract for \$3.50 per hoghead.

Their explanation is the war conditions, claiming a war clause which some of our members claim is not in their contract. In any event, there is no war between the nations whose subjects are signers of the contracts, and we wish for your department to take some action to adjust this if possible; and we shall gladly furnish you with any further information which your department might wish to have.

Very respectfully, yours,

CHAS. E. MOORE,

President of Leaf Tobacco Association, Baltimore, Md.

EXHIBIT 49.

[Dumee, Son & Co., cotton.]

PHILADELPHIA, PA., December 29, 1914.

DEPARTMENT OF STATE,
Washington, D. C.

DEAR SIR: We wish to enter strenuous protest against the prohibitive freight rates being charged by the trans-Atlantic lines on cotton and cotton linters to European ports. This time one year ago we paid a rate of 45 and 50 cents per 100 pounds on compressed and uncompressed cotton linters, respectively, from New York to Rotterdam. To-day we are asked \$2.50 and \$3 per 100 pounds for compressed and uncompressed cotton linters, respectively, shipment between these two points. We should advise that all the freight rates from points on the eastern seaboard to other European ports have been advanced in proportion to the increase cited above. We feel that some relief should be arranged for the American exporters by your department.

Yours, very truly,

DUMEE, SON & CO.

EXHIBIT 50.

[W. W. Battie & Co.'s coal trade freight report.]

NEW YORK, January 4, 1915.

The freight market continues to advance, and, although a few steamers were chartered for export coal at high rates during the past week, none of these fixtures have been reported.

Occasionally we have steamers proposed for export coal that are willing to accept less than current market rates, and, consequently, we think it well for you to communicate directly with us whenever you have any inquiries for export coal, as the rates quoted below, under present conditions, are bound to be more or less uncertain.

We would quote freight rates on coal by steamer as follows: About \$2 to Habana; about \$2.50 to Cardenas or Sagua; about \$2.50 to Cienfuegos; \$2.75 to \$3 to Port of Spain, Trinidad; \$2.50 to \$3 to St. Lucia; about \$2.50 to St. Thomas; \$2.75 to \$3 to Barbados; about \$2.50 to Kingston (small boats to Kingston \$2.50 to \$2.75); \$2.25 to \$2.50 and p. c. to Curacao; \$2.50 to \$2.75 to Santiago; \$2.50 to \$2.75 to Guantanamo; about \$4.50 to Demerara; \$2.40 to \$2.50 to Bermuda; about \$2.50 to Vera Cruz; about \$2.50 to Tampico; 25s. to 30s. to Rio; about 25s. to Montevideo, Buenos Aires, or La Plata; about 40s. to a direct port in the Mediterranean not east of the west coast of Italy, Spain excluded, and about 20s. to Valparaiso.

EXHIBIT 51.

[John M. Harper & Co.]

PHILADELPHIA, December 28, 1914.

DEPARTMENT OF COMMERCE AND LABOR,
Washington, D. C.

DEAR SIR: We notice, according to the Journal of Commerce, of December 26, that the Secretary of the Treasury asked those shippers who had been obliged to pay high ocean freights to communicate with the Department of Commerce.

One of the lines which we handle is goatskins; the rate of freight on same, per the Philadelphia-Trans-Atlantic Line, from London to Philadelphia in June, 1914, was 35s. per ton, net; by the same line we have been obliged to pay this month 54s. 9d. and 10 per cent, which is equivalent to about 75 per cent increase.

The rates of freight from South Africa to American Atlantic ports in October had advanced 25 per cent, and we understand those rates have still further advanced.

The rate from the west coast of Africa was 27s. 6d. per ton, now 55s. The latest reports we had from China, freight rates had advanced 25s. (30 per cent).

We are safe in saying that the freight rates from the different ports of origin have advanced over last June from 25 up to 75 per cent. We can give you more definite information a little later on, if you desire, but you could get more positive information by appointing someone specially from your department and sending them to the Philadelphia and also New York customhouses, and look over the bills of lading of last June and July and the bills of lading recently to hand for similar goods. We might further add these increased freight rates, together with war risks and high premiums for insurance which the American importers are obliged to pay, it making business almost prohibitive in some lines.

Yours, respectfully,

JOHN M. HARPER & CO.

EXHIBIT 52.

[Meyer Hecht, commission merchant, dealer in deer, goat, sheep skins, hides and calfskins.]

NEW YORK, December 26, 1914.

The SECRETARY OF COMMERCE AND LABOR,
Washington, D. C.

SIR: I have read that your attention has been called by exporters to the way the different steamship lines are treating the exporters. I, too, want to protest that they are charging me two or three times as much as formerly and then do not give me room for my shipments, which hinders my business considerably. I hope that you will be able to do something in this matter.

Very respectfully,

MEYER HECHT.

EXHIBIT 53.

[American Glue Co.]

BOSTON, December 30, 1914.

The SECRETARY OF COMMERCE,
Washington, D. C.

DEAR SIR: Our attention has been called to a request of the Senate that your department supply that body with information as to increased ocean freights due to scarcity of tonnage, and that data on these points is desired. Accordingly, we beg to report as follows:

On merchandise imported by us from Italy, rates in September and October were advanced 25 per cent. Since then, however, they have been restored to the normal figure.

On merchandise imported by us from the United Kingdom of Great Britain the rates have been increased 50 per cent and no immediate likelihood of reduction.

Within the past few days, having a shipment of merchandise to export from this port to Liverpool, we were informed by the carriers that they could not handle same at all on account of having more freight than they could handle.

We certainly feel that we have been not only handicapped by lack of service, but also overcharged, all of which is a detriment to our commerce.

Yours, respectfully,

AMERICAN GLUE CO.,
J. D. HASHAGEN.

EXHIBIT 54.

[Minot, Hooper & Co., Manufacturers' Agents.]

NEW YORK, December 30, 1914.

MR. WILLIAM C. REDFIELD,
Secretary Department of Commerce, Washington, D. C.

DEAR SIR: In view of the fact that you are to submit evidence before the Senate committee regarding increases in ocean freight rates since July 1, we beg to inform you as follows:

We are now paying on a shipment to Piraeus, via the Cunard Line, 100s. per ton of 40 cubic feet. The rate July 1 was 32s. 6d., and about two years ago we secured as low as 15s. and 20s. per ton on the Cunard and other lines. We engaged space on the Cunard steamship *Carpathia*, sailing to Piraeus January 5, 1915, at 75s. per ton. A week later, when we endeavored to engage more space, the rate had advanced to 100s. for the same character of goods. We tried to secure space on the Cunard steamship *Pannonia*, sailing to Piraeus January 3, and were advised that the rate was 100s. per ton, all plus 5 per cent for primage. We gave the matter into the hands of our freight broker, who, upon informing the Cunard Line that the Hellenic-Transatlantic S. N. Co. would accept freight for March sailing at the rate of 80s., was told by them that they would meet the competition of the "Greek line" and give us an 80s. rate.

What we want to know is whether there is any redress to be had for having to pay these exorbitant rates, or must we pacifically submit to such "extortion." While we ourselves do not bear the cost of freight on our shipments—the customer assuming that burden—our export business is directly and materially affected, inasmuch as the uncertainty and increase of expense and hazard to our customer have a tendency to make him cautious and reduce or altogether terminate his orders.

Yours, very truly,

MINOT, HOOPER & CO.
E. T. PICKARD.

EXHIBIT 55.

[Gabriel Nachman, wool stock.]

NEW YORK, December 28, 1914.

SECRETARY OF COMMERCE,
Department of Commerce, Washington, D. C.

DEAR SIR: We are large shippers of woolen rags to foreign ports, and find that the steamship companies have increased their freight rates from one-fourth cent per pound to \$1.10 per 100 pounds; and even at that rate they refuse to take rags; therefore have not been able to ship any for export in over four weeks, and as yet don't know when they will take stock. They claim they are booked ahead on the same.

If there is anything that you can do to relieve the situation, would consider it a favor.

Yours, very truly,

GABRIEL NACHMAN.

EXHIBIT 56.

[Gabriel Nachman, wool stock.]

NEW YORK, January 6, 1915.

WILLIAM C. REDFIELD,
Secretary Department of Commerce, Washington, D. C.

DEAR SIR: Replying to yours of the 30th ultimo, I find conditions just as bad regarding shipments to Europe. The fact is, I can not ship any stock, as some of the lines claim they have information from England not to take any rags.

You know it is impossible to ship rags on sailing vessels. Whenever you find that things look brighter, will be pleased to hear what can be done in the matter.

Yours, very truly,

GABRIEL NACHMAN.

EXHIBIT 57.

BALTIMORE, MD., December 26, 1914.

The DEPARTMENT OF COMMERCE,
Washington, D. C.

GENTLEMEN: Responding to your request for proofs of how shipments of American goods to Europe are handicapped or made entirely prohibitive on account of high ocean freight rates, we beg to submit the following:

We are shippers of Maryland, Ohio, Kentucky, and Virginia tobacco to Europe, and most of our shipments are consigned to Holland, Germany, Austria, Italy, Norway, and Belgium. At present only shipments to Holland, Italy, and Norway are possible at prohibitive rates. In fact, the latter have become so high that now cable orders "Stop buying" have been received.

Although we have made a yearly contract with the Holland-America Line—the only shipping opportunity from here to Holland—as per copy inclosed, this line has arbitrarily raised its rates 100 to 300 per cent, and even at the raised rates shipments can be booked only "for first available room."

Rates to Italy also have become entirely too high—I. e., from \$4 per hoghead of Maryland tobacco to about \$27, or nearly 3½ cents a pound—so that tobacco shipments have become out of question.

The Holland-America Line, which raised the rates on December 7, 1914, has now again suspended them, indicating another raise.

Trusting that the foregoing statement will interest you, we are, dear sirs,

Very respectfully,

J. D. KREMELBERG & Co.

P. S.—The freight rates from Baltimore to Rotterdam were:

	On Maryland and Ohio tobaccos (per hoghead).	On Virginia and Kentucky tobaccos (cents per 100 pounds).
Aug. 1, 1914.....	\$3.50	30
Dec. 1, 1914.....	5.25	82
Dec. 9, 1914.....	6.85	102

A hoghead of Maryland or Ohio tobacco weighs on an average about 800 pounds gross, and a Virginia or Kentucky hoghead about 1,650 pounds.

EXHIBIT 58.

NEW YORK, December 28, 1914.

SECRETARY OF TREASURY DEPARTMENT,
Washington, D. C.

SIR: We herewith beg to state that our business as exporters of American tobacco is seriously affected by the present high ocean freight rates.

We are large shippers of Kentucky tobacco via New Orleans to Rotterdam, Holland, for which the ocean freight rate was 35 cents per 100 pounds before the war. Now \$2.55 per 100 pounds is asked, which is practically prohibitive, particularly for the low-priced grades of tobacco.

The ocean freight rate from New York to Rotterdam was 25 cents per 100 pounds before the war; now \$1.60 per 100 pounds is demanded.

The situation is all the more deplorable since prices for export tobacco have declined since the outbreak of the war, resulting in a corresponding loss to the growers in this country, but as the rise in freight rates more than offsets the decline in the prices of tobacco, the resumption of the export tobacco business, which business has been almost completely paralyzed since the outbreak of the European war, is seriously handicapped by the ocean freight situation.

Trusting that with Government aid the present abnormal situation referred to may be relieved, we remain,

Respectfully, yours,

KREMELBERG & Co.

EXHIBIT 58A.

TOBACCO CONTRACT.

In consideration of the reduced rate of freight hereinafter mentioned, it is hereby agreed between the Holland-America Line of Rotterdam, Holland, running steamers between Rotterdam and Baltimore, parties of the first part, and Messrs. J. D. Kremelberg & Co., parties of the second part, to wit:

(1) That parties of the first part are to maintain from Baltimore to Rotterdam a service of steamers of the grade of 100 A-1 British Lloyds or equivalent, to sail weekly if possible, but not less than semi-monthly.

(2) That the rate of freight on tobacco of the present approximate standard as to size and weight is to be as per rates on reverse side, United States gold, per hoghead to Rotterdam or Amsterdam.

(3) That the terms of this contract shall be from January 1, 1914, until December 31, 1914.

(4) That the parties of the second part herewith agree to above terms, and covenant, contract, and agree to ship all of the tobacco that they control by steamers of the Holland-America Line at the rate specified on reverse side.

(5) That if sailings are less than semi-monthly—barring a reasonable delay caused by unavoidable accidents or dangers of the sea or other causes usually expected in contracts embracing carriage of goods by

steamers—then the parties of the second part have the privilege of shipping by any other line, but the Holland-America Line shall not be liable for the difference in amount of freight charged by such other line.

(6) Penalty for nonperformance of this contract estimated amount of freight.

Signed at Baltimore in duplicate this 15th day of December, 1913, in behalf of the contracting parties.

Witness to signature of—

DRESEL, RAUSCHENBERG & Co., [SEAL.]
Agents Holland-America Line.

JOHN SONDERMAN.
P. PRO. J. D. KREMELBERG & Co. [SEAL.]
W. ADDISON BAKER.
A. F. GIESEKE.

EXHIBIT 59.

[J. D. Kremelberg & Co., 313 South Charles Street.]

BALTIMORE, MD., December 28, 1914.

DEPARTMENT OF COMMERCE, Washington, D. C.

GENTLEMEN: Referring to your esteemed letter of the 28th instant, we beg to report that since our last letter to you of the 26th instant the Holland-America Line has again raised its freight rates.

We inclose a statement showing the freight rates prevailing on August 1, 1914, and December 28, 1914, respectively, for tobacco, raw leaf and stems, which we trust will be of interest to you for your report to be made about January 10, 1915.

We are, dear sirs, very respectfully,

J. D. KREMELBERG & Co.

EXHIBIT 59A.

Ocean freight rates on tobacco, raw leaf and stems, from Baltimore, Md., to Rotterdam, Holland, as quoted by the Baltimore agency of the Holland-America Line, of Rotterdam.

Kind of tobacco.	Open freight rates prevailing—	
	Aug. 1, 1914.	Dec. 28, 1914.
Virginia, Kentucky, Burley, and North Carolina tobacco.	30 cents per 100 pounds....	\$1.25 per 100 pounds.
Maryland, Ohio, and Bay tobacco.	\$3.50 per hoghead.....	\$8.25 per hoghead.
Virginia stems.....	\$5.06 per hoghead.....	\$16 per hoghead.
Seed-leaf tobacco, in cases.....	\$1.50 per case.....	\$4 per case.
Loose-leaf tobacco, in burlap....	\$0.40 per 100 pounds.....	\$1.25 per 100 pounds.

EXHIBIT 60.

LYNCHBURG, VA., December 28, 1914.

The SECRETARY OF COMMERCE,
Washington, D. C.

SIR: Having seen in the newspapers that the Department of Commerce wishes to be informed about difficulties which shippers in the export trade experience as to making satisfactory freight engagements for shipments of merchandise to foreign countries, we beg to say that the different steamship lines having steamers running between home ports and neutral countries in Europe seem to be taking advantage of the fact that the number of steamers is not near sufficient to take care of the ordinary legitimate business with foreign countries and are constantly advancing freight rates, which now have reached such high figures as to be almost prohibitive to shippers as well as to producers (farmers). Our business is the buying of leaf tobacco direct from farmers and putting it in proper shape for export. Freight rates on leaf tobacco to Rotterdam, Holland, before outbreak of the war have been 30 cents per 100 pounds, and shortly thereafter the rate was raised to 45 cents; in November the same was advanced to 82 cents, beginning of December to \$1.02, and now to \$1.25 per 100 pounds. Rates to Liverpool are now quoted at \$1 per 100 pounds, where we have been shipping before the war at about 25 cents per 100 pounds. Freight rates to Genoa, which is the port for shipments of leaf tobacco to Switzerland, have been about \$5 to \$6 a hoghead before the war, and have now advanced to about \$25 a hoghead. We have been shipping some tobacco to Christiania, Norway, before the war at freight rates of about 40 cents per 100 pounds; during latter part of August we made a shipment at 65 cents per 100 pounds, and the same manufacturer now wants another lot shipped and we have not been able to secure a freight engagement so far, nor even a quotation at which this tobacco will be taken. Have just received quotation of \$1.50 per 100 pounds.

There is a considerable scarcity of steamers flying the American or neutral flags, and unless more ships can be put at the disposal of shippers, causing a general reduction of ocean freight rates, which are now unreasonable, excessive, and almost prohibitive, the export business in this country is bound to suffer greatly.

Respectfully,

G. STALLING & Co.

EXHIBIT 61.

LYNCHBURG, VA., December 31, 1914.

SECRETARY OF COMMERCE,
Washington, D. C.

SIR: I am in receipt of your communication of the 30th instant and beg to thank you for interest you are taking in finding means of transportation to Europe at reasonable rates.

Shipments of leaf tobacco are usually made in small lots of 10 to 20 hogheads and seldom exceeding 100 hogheads, and therefore it would require a combination of a good many shippers to charter a steamer and to secure enough tobacco to fill same.

If there are any steamers open for charter in Boston, they are either held at prohibitive rates or are not in good seaworthy condition. There are such demands for steamer room that it would not take long to fill same. I have now some 75 hogheads of leaf tobacco in Baltimore, for which place has been engaged for shipment to Rotterdam about a month ago, and, though three or four steamers have sailed since that time for that port, the steamship agents have not been able to forward my tobacco, nor have they even made promises

when they will forward same, saying that they have a good deal of merchandise for which space has been engaged in November and which has not been forwarded. I have 120 hogsheds leaf tobacco in Norfolk also for shipment to Rotterdam, which I have been holding since middle of November and which has not yet been shipped, though I have promises that at least part of the tobacco will go forward very shortly. I have also tobacco in New York, for which place has been engaged in November to be shipped to Genoa, Italy, and thence to Switzerland, and I have at last received a promise that same may go forward by steamer sailing next week.

I have a shipment for Christiania, Norway, and the earliest sailing that has been promised me from New York will be some time in February, at a rate of \$1.50 per 100 pounds, which is about \$24 to \$25 a hogshhead, against the usual rate of about \$5 a hogshhead.

Such delays in shipment of merchandise to Europe are certainly a very serious handicap, and the only remedy I know of is to secure more ships, but an individual small shipper can, of course, do very little in that respect, and he is completely at the mercy of the big foreign steamship companies.

Very respectfully,

G. STALLING,
Of G. STALLING & Co.

EXHIBIT 62.

[Millers' National Federation.]

CHICAGO, December 29, 1914.

HON. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: We note that the Senate, in discussing the ship-purchase bill, on December 18 asked that the Secretary of Commerce and the Secretary of the Treasury lay before it all available information regarding increases in ocean freight rates which have occurred since July 1, as well as all facts within their knowledge which may adversely affect American commerce.

We trust that in submitting this information to the Senate the sharp increase in ocean rates on flour will be given attention. We are attaching hereto a tabulated statement of ocean freight rates on flour, published by International Mercantile Marine, from several American ports to London, Aberdeen, and Liverpool. You will note that from July 18 to December 19 the ocean freight rates from all named American ports to ports in United Kingdom advanced over 100 per cent.

With splendid prospects for a revival of export flour business at the beginning of the present crop year, the American miller was encouraged to believe that the export flour business would speedily be developed again to its former basis; throughout this crop year, however, he has been handicapped by the differential between ocean rates on wheat and flour, in favor of the former. Unfortunately no ocean freight rates for wheat are published, each shipment being booked as a separate transaction, and we are inclined to believe that these ocean freight rates on wheat are subject to negotiation between the shipper and steamship company in each case, whereas rates on flour are "firm."

The effects of the differential in ocean freight rates as between wheat and flour, in favor of the former, is reflected in the exports of wheat and flour from the United States for 11 months ending November, 1914, as published in Department of Commerce Bulletin No. 5, series 1914-15. You will note by reference to page 2 of this bulletin that exports of wheat from the United States for 11 months ending November, 1914, were 144,371,088 bushels, as compared with 93,636,251 bushels for the same period of 1913. The exports of flour from the United States for 11 months ending November, 1914, were 10,806,818 barrels, as compared with 11,137,275 barrels for the same period of 1913.

This indicates that with conditions abroad that warranted an unprecedented demand for prepared foodstuffs the increase in the exports of wheat was sufficient to produce more than 10,000,000 barrels of flour, while exports of flour declined 330,457 barrels during that period. Unfortunately for the American miller, much of the wheat thus exported—under a low ocean rate—is purchased by millers abroad, who are thus placed in position to use the same wheat used by American millers, grown in America, and successfully sell flour in competition with American millers, with results as indicated above.

Perhaps it is pertinent to the subject to point out to you that in thus changing the character of the foodstuffs exported from finished product, flour, to raw material, wheat, that not only is there lost to American workmen the labor to manufacture the wheat into flour, but the loss is also felt by the industries allied to the milling business, the sack manufacturers, thus reducing our domestic use of cotton; the manufacturers of milling machinery, as production is curtailed, etc.; a very important factor is the loss to the country of the feed resulting from milling this wheat, which, if retained in this country, would be an important factor in increasing the raising of cattle; the loss of fertilizer resulting from a decrease in the number of cattle raised should not be overlooked, the whole subject having a bearing on the cost of living in this country.

The sharp advances in ocean freight rates on flour have not been confined to the International Mercantile Marine, however; the Holland-American Line, controlling, as it does, the only available means of transportation to Holland, has increased its rates on flour to a point where it is interfering seriously with the ability of American millers to compete for business in Holland against British millers, who are grinding American wheat. We are indebted to one of our members for the following quotations on flour (per 100 pounds), quoted by Holland-American Line for shipment to Rotterdam, Holland, from Newport News, Va.:

Rate per 100 pounds.

Oct. 10, 1914	.....	\$0. 27
Oct. 24, 1914	.....	.....
Oct. 31, 1914	.....	.....
Nov. 7, 1914	.....	.....
Nov. 14, 1914	.....	.....
Nov. 21, 1914	.....	.....
Nov. 28, 1914	.....	.....
Dec. 5, 1914	.....	.....
Dec. 8, 1914	.....	.....
Dec. 12, 1914	.....	.....

As you are aware, the Government of the Netherlands recently reserved to itself a practical monopoly in all foodstuffs. Since that time (in November) a sharp and unprecedented advance in ocean freights will be noted. Not only has this company declined to give millers option on ocean space at a quoted rate, when the miller has a bid from Holland, but has, in some instances, advanced the rate to the miller overnight; and the miller, having accepted business at the rate quoted the day before, is forced to take a loss, owing to this arbitrary attitude of the Holland-American Line, which, by the way, is contrary to all

precedents, as a miller must have extended to him an option on ocean-freight room at a given quotation for a time sufficiently long to cable his foreign correspondent and get a reply.

Before the creation of a monopoly on foodstuffs by the Government of the Netherlands, however, the Holland-America Line declined to carry flour for which it had contracted—in some instances before the war—and millers were unable to get that company to move large shipments of flour which had been made by millers in good faith. The situation became so acute that a committee representing the Millers' National Federation, waited upon Acting Secretary of State Lansing on November 7 and presented to him our complaints. Subsequent to this interview we submitted to the State Department details of shipments aggregating 90,000 sacks of flour of 50 kilos (110 pounds) each, a large proportion of which had been at seaboard for weeks, and had been declined by Holland-America Line, although ocean freight room had been contracted for in regular form when sales were made. Thanks to the good offices of the State Department nearly all this flour has now been shipped, but we submit that we should not have been compelled to bring pressure to bear from the Government in order to have this company live up to its contracts with our members.

The quotations on ocean freight room given herewith can easily be confirmed by your department, and we respectfully suggest that you secure the ocean rates under which wheat was carried on or about the same dates on which rates on flour are given; we think a comparison of these rates on wheat and flour will suggest to you that they greatly favor the port millers of Great Britain and foreign millers generally, placing them in a position to render it almost impossible for the American miller to extend his export trade, much as he desires to do so. We feel like tendering an apology for this lengthy letter, but it was necessary to give you some idea of the difficulties under which the American miller is laboring in his laudable efforts to increase the export flour business of the United States. We sincerely trust that something may be done to put us on a competitive basis.

Very truly, yours,

A. P. HUSBAND, Secretary.

Table of ocean freight rates on flour inclosed.

EXHIBIT 62A.

Rates on flour (per 100 pounds) published by International Mercantile Marine to ports in United Kingdom from American ports as named below.

	Week ending July 18, 1914.	Week ending Sept. 5, 1914.	Week ending Oct. 3, 1914.	Week ending Nov. 14, 1914.	Week ending Dec. 5, 1914.	Week ending Dec. 19, 1914.
To London from—						
Boston.....	Cents. 13	Cents. 21	Cents. 22	Cents. 25	Cents. 27	Cents. 30
New York.....	13	21	22	25	27	30
Philadelphia.....	14	22	23	26	28	31
Baltimore.....	15	23	24	26	29	32
To Aberdeen from—						
Boston.....	19	27	28	31	35	38
New York.....	19	27	28	31	35	38
Philadelphia.....	19	27	28	31	35	38
Baltimore.....	20	28	29	32	36	39
To Liverpool from—						
Boston.....	12	20	21	24	26	26
New York.....	12	20	21	24	26	26
Philadelphia.....	13	21	22	25	27	27

EXHIBIT 63.

[Henry Lauts & Co.]

BALTIMORE, MD., December 29, 1914.

HON. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: Having heard that an investigation is in progress at Washington over the shortage of ships to carry American products abroad and the excessive charges recently made by the steamship companies in forwarding such products to European ports we beg to inform you—

First. That the undersigned firm of Henry Lauts & Co. has a contract with the Holland-America Line for shipment of tobacco to Rotterdam and Amsterdam during the year 1914 at the following rates: Three dollars and fifty cents per hogshhead for Maryland and Ohio tobacco, \$5.06 per hogshhead for tobacco stems, and 30 cents per 100 pounds for Kentucky and Virginia tobacco.

Since the outbreak of the European conflict now raging the line in question has raised its rates on three different occasions, and they are at present as follows: Seven dollars and fifty cents per hogshhead for Maryland and Ohio tobacco, \$15 per hogshhead for tobacco stems, and \$1.25 per 100 pounds for Kentucky and Virginia tobacco, although there is no clause in our contract justifying a change of rates on account of war and Holland is not at war.

The present rates charged by this line are almost prohibitive, and are a decided menace to the tobacco export industry of this country.

Second. That under our contract this company obligates itself to provide at least two steamers per month sailing from this port, which has not been done. During the current month we have only been able to ship 150 hogshheads of tobacco, whilst we have over 1,177 hogshheads awaiting shipment. By this great lack of facilities for shipping tobacco we are naturally subjected to serious inconvenience and loss.

If any relief to this unfortunate situation with reference to American shipping interests can be afforded by the Government, it will be greatly appreciated.

We have the honor to be, very respectfully, yours,

HENRY LAUTS & Co.

EXHIBIT 64.

[W. T. Seibels & Co., fruits and produce.]

NEW YORK, January 14, 1915.

SECRETARY OF DEPARTMENT OF COMMERCE AND LABOR,
Washington, D. C.

DEAR SIR: Regarding excessive through rate on barreled apples from New York to London via Liverpool on White Star Line:

On December 30 we forwarded by White Star liner *Adriatic* 400 barrels of apples to Messrs. Ridley, Houlding & Co., London, upon quotation of rate furnished by Lunham & Moore, ship brokers, Produce Ex-

change Building, New York, which quotation was 3s. 6d. per barrel to Liverpool. We and they both assumed that the customary land charge of about 2s. per barrel from Liverpool to London would be added to make up the through rate, and Lunham & Moore are positive that no intimation had been given them theretofore that the through rate would be figured on any other basis.

However, when shipment arrived in London a few days ago I received cablegram from Ridley, Houlding & Co. advising that the White Star Line had charged 8s. 5d. per barrel, being 2s. 11d., which is practically 75 cents per barrel, more than the amount should be.

Upon taking this matter up with Mr. Ryan, of the White Star Line here, their only excuse given for making this advanced rate is that they do not want to handle London business via Liverpool, and they refused to adjust it. Yet there would have been no question about billing these apples to Liverpool on the rate of 3s. 6d. per barrel, and then rebilling to London on the ordinary railroad rate. As a matter of fact, there were some 50 barrels of the same mark of apples in the same shipment on the *Adriatic* which were sent as a sample under separate billing to a firm in Liverpool and which lot was forwarded at the rate of 3s. 6d. without question.

I am writing to you in the hope you may be able to offer some suggestion how we may secure redress against this high-handed practice and get the rate adjusted without having to go into court. These steamship lines seem to be a law unto themselves, and have taken advantage of nearly every opportunity brought about by reason of the European war to subject those handling export trade to all kinds of trouble and inconvenience.

While the amount involved in this transaction is only about \$300, it will be a real hardship upon the writer to shoulder the loss involved by reason of the arbitrary, unreasonable through rate on this shipment, and in view of the fact that no notice or intimation had been given beforehand it would seem that some way ought to be open to force the White Star Line to bring their through rate in line with the sum of the ocean rate plus the land rate as above referred to.

For your information, will say that the reason shipment in question was billed via Liverpool was simply because we could get no space whatever on Atlantic Transport Line, running to London direct, during the week shipment in question was made. Shipment was billed order notify, bill of lading being handled through a New York bank. The writer did not examine the bill of lading to see what rate was specified, for it was not issued until nearly time for the steamer to sail and had to be rushed to get in the mail.

It is not our purpose to burden you with personal grievances, but the writer believes a transaction of this kind possesses elements which must commend itself to your consideration, and he hopes you may be able to offer some suggestion, not alone for our relief but to save other exporters from suffering by reason of such practice at the hands of these steamship people.

Awaiting a reply at your earliest convenience, and assuring you we shall be under lasting obligations for any suggestions or assistance you may be able to give, we are,

Yours, very truly,

W. T. SEIBELS & Co.,
By W. T. S.

EXHIBIT 65.

[W. T. Seibels & Co., fruits and produce.]

NEW YORK, January 15, 1914.

SECRETARY OF DEPARTMENT OF COMMERCE AND LABOR,
Washington, D. C.

DEAR SIR: Referring further to excessive through rate on barreled apples from New York to London via Liverpool on White Star Line:

When writing you under date of January 14 we neglected to state that the through rate on apples to London direct on Atlantic Transport boats figures out 4s. 6d. per barrel; that is, the rate has been 4s. 6d. up until now. But we have just received advice that beginning February 1 Atlantic Transport Line is advancing their rates so that apples, ordinary, will pay 6s. per barrel. As a matter of fact, this line is endeavoring to exclude fruit shipments entirely, and it would seem that unless some efforts are made shortly we will be practically without shipping facilities for exporting fruit, except under rates that are absolutely prohibitory.

Yours, very truly,

W. T. SEIBELS & Co.,
By W. T. S.

EXHIBIT 66.

[Estate of Victor Holmes, deceased, exporter of zinc oxide.]

BOSTON, MASS., December 28, 1914.

SECRETARY DEPARTMENT OF COMMERCE AND LABOR,
Washington, D. C.

DEAR SIR: I have noticed in public prints that the Treasury Department has issued a statement asking all shippers who have been affected by high freight rates and scarcity of vessels to communicate with your department.

For the last 20 years Victor Holmes, and since his death his estate, has been engaged in the exportation of American zinc oxide to the Scandinavian countries.

Since the European war situation developed this business has been very considerably hampered by a number of conditions, among them the scarcity of freight vessels, exceedingly high rates of exchange, and, what is more important, the freight outlook for 1915.

In the year 1912 we were paying Funk-Edey & Co., freight agents for the Scandinavian-American Line, 17s. 6d. and 5 per cent prime for a long ton. During 1913 and 1914 this rate was increased to 21s. 3d. and 5 per cent, which is an extremely high rate for a commodity.

In view of the scarcity of vessels, we were obliged to stand this increase, and our freight brokers have been notified by Funk-Edey & Co. that the price for 1915 will be 50s. and 5 per cent, which rate of freight will entirely kill the business.

There is no competing line for this business to Copenhagen, to which point all of our shipments are made.

Since the outbreak of the war, however, several Danish shipping concerns have been sending steamers to New York and other American ports to take goods to Copenhagen. These have been more in the nature of charters, however, than catering for general cargo, and we have not been able to derive any benefit therefrom.

Funk-Edey & Co. have not refused to take any goods at our contract price of 21s. 3d. for this year, but we can cite one instance to you of where they have refused to accept contract goods and taken non-contract goods from us at higher rates.

On September 19 we asked for a shipment of zinc oxide to be made on September 23, or on the first sailing, which would have been either October 8 or 15. We were advised that these ships were full, but they would book the shipment for a chartered steamer, the *Bra Kar*, which was scheduled to sail about October 10. This steamer left October 22.

On September 24 we had an order for some dry white lead upon which we had no freight contract, and asked that it be carried on our regular zinc oxide contract, as it is less bulky, packed in larger packages and also stronger packages. We were told this could not be done, but that they would ship on October 15 or on one of the regular steamers at a price of 28s. 9d. plus 5 per cent prime, which was done.

From the above you will see we were able to get a later shipment made on an earlier steamer by paying a higher rate on a commodity which should have taken a lower rate.

I trust these facts will be of some service to you in your investigation.

Very truly, yours,

ESTATE OF VICTOR HOLMES.
By V. F. HOLMES, Executor.

EXHIBIT 67.

[Estate of Victor Holmes, deceased, exporter of zinc oxide.]

BOSTON, MASS., January 6, 1915.

HON. WILLIAM C. REDFIELD,
Secretary Department of Commerce, Washington, D. C.

DEAR SIR: In further reference to my letter to you of December 28, and your reply of the 29th, would advise that I have just had occasion to get a freight-rate quotation on Copenhagen, and we are advised that Funk-Edey & Co. are asking \$1 per 100 pounds on dry white lead to Copenhagen.

This is equivalent to \$22.40 per ton, and with the ordinary rate of between \$3.75 and \$4.50, you will readily appreciate the absurdity of it. Such a rate is, of course, entirely prohibitive, and we are unable to supply our Copenhagen customers on this account.

Very truly, yours,

ESTATE OF VICTOR HOLMES, DECEASED.
By V. F. HOLMES, Executor.

EXHIBIT 68.

[Farmers & Spinners' Cotton Co., cotton.]

CHARLESTON, S. C., December 11, 1914.

E. E. PROTT, Esq.,

Chief of Bureau, Washington, D. C.

DEAR SIR: Your circular of the 5th has been handed to us in regard to shipments to Germany and asking us to state the nature of difficulties. The great difficulty in combining business, even with shipments to Rotterdam and Amsterdam, is the enormous increase in the freight rates demanded by the steamship lines. We consider this advance out of all reason and actually in restraint of trade. Within the last 10 days freights have more than doubled themselves, and where we formerly paid 85 cents per 100 the steamship lines are now demanding \$2 to \$2.50 for 100 pounds.

We think some attention should be given this matter, as it is seriously hampering the export of cotton.

Yours, truly,

FARMERS & SPINNERS' COTTON CO.,
CHAS. F. MIDDLETON, President.

EXHIBIT 69.

[Florida Power Co.]

OCALA, FLA., January 9, 1915.

HON. WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

DEAR SIR: I wish to place on file with you the name of Camp Phosphate Co., of Ocala, Fla. This company is very desirous of shipping phosphate to Rotterdam, Holland, as soon as they can secure ships for this purpose. The Camp Phosphate Co. has on hand a large tonnage of phosphate and also contracts. Our buyers are very anxious to get this phosphate, but on account of the high ocean freight rates we have not been able to get a ship up to date.

I take pleasure in referring you to my personal friend Hon. DUNCAN U. FLITCHER, United States Senator.

Yours, very truly,

R. C. CAMP.

EXHIBIT 70.

[G. Amsinck & Co., New York.]

NEW YORK, January 5, 1915.

MR. CHARLES FERGUSON,
15 Grammercy Park, New York City.

DEAR MR. FERGUSON: In pursuance of your request made to me verbally yesterday, I am very glad to give you in writing the opinions expressed to you during our interview.

I think it is of the utmost importance that the United States should acquire at the present time steamers for our trade with the neutral countries. While I am not on principle in favor of Government-owned steamship lines, I believe in the present crisis only the Government is able to acquire a sufficient amount of steamers without much difficulty, and I see no reason why, after reestablishment of peace, the Government should not resell these steamers to American companies.

I shall take up first the South American field, because I believe it is to the greatest interest of this country to make use of this opportunity to secure as much of that trade as possible. There is a lack of freight room both to and from South America. The German steamers have naturally been withdrawn and the English steamers are being avoided as much as possible, both by shippers in South America as well as here, because their sailings are irregular, the higher rate of insurance, and because there is a feeling of uncertainty that all, or some of them, may be withdrawn at any time from the trade. There are not sufficient neutral steamers in the trade, in spite of the high rates of freight, to take the cargo from this country and bring it here, and we have constant complaints on that score from our customers in South America.

Of course it will be desirable, as pointed out by you, to acquire an entire going steamship line, with its perfect organization, but I do not consider this absolutely necessary as long as competent managers who have an experience in that trade are obtained for that line, and who

could, no doubt, at present engage sufficient experienced help to fill out their office and outside staff, while there is, as far as I know, no difficulty in obtaining competent agents in all the ports of South America, who would obtain cargo and give good advice on the subject of the line in their special territory.

A start should be made on a line running to Pernambuco, Rio, and Santos, in Brazil, and to the Argentine Republic. For the present only cargo boats could probably be obtained, and such should be acquired wherever possible. If the English are unwilling to sell their boats, as I understand, the United States should buy them wherever they can, and, if necessary, acquire German boats, even if there is English opposition, as long as the English are not willing to furnish the boats themselves, because it is absolutely essential, in my opinion, to make a start now. Later on it will be desirable to have a passenger and mail line from here to Rio and Buenos Aires, which could be profitably combined with the cargo of frozen meat from the River Plata, as this is a trade which is of vital importance to the United States, and will develop more and more; but such boats can not readily be acquired by purchase, but should be built.

I see no great urgent necessity of establishing a Government line to the West Indies, Venezuela, Colombia, and Central America, as sufficient American and neutral steamers are running there at present to fill the most urgent need.

There also seems to be no urgent need for an American line on the west coast of South America at present, since for cargo the merchant line is now under the American flag, and mails are carried by the Peruvian and Chilean steamships from Panama, both of which are under neutral flags.

A line to Italy does not seem necessary, as the Italian Government has sufficient steamers, if only the United States Government will stand together with the Italian to protect these steamers from constant and in many cases unnecessary interference and delay.

For Denmark, Norway, and Holland there is at present also not sufficient freight open, but there should be enough steamers of those countries—which have fleets of their own—to insure a sufficient traffic, if the United States will assist those countries also in maintaining a service which is not unnecessarily hampered and interfered with by the warring nations, as is done at present, where a great many commercial transactions for supplying those neutral countries with their requirements, and which are in no way affected by any articles of contraband of war or supplies for the fighting nations, are hampered and stopped.

Conditions in South America are rapidly improving, and with few exceptions merchants are paying regularly their bills to exporters from this country, according to our experience. It is, therefore, a splendid opportunity for the United States to obtain, during the disturbed conditions in Europe, a considerably larger share of the South American trade; but this can only be done by the immediate acquisition of at least 8 or 10 steamers to be put under the American flag.

Should you wish any further information I shall be glad to give it to you, and remain, dear Mr. Ferguson,

Yours, very sincerely,

JUSTUS RUPERT.

EXHIBIT 71.

NEW YORK, January 9, 1915.

Mr. S. C. MEAD,

Secretary Merchants' Association of New York,
Woolworth Building, New York City.

MY DEAR MR. MEAD: I have been requested by the traffic department to write to you on the subject of a report by the chamber of commerce in regard to a bill for acquiring steamers for the American Government now pending before Congress.

According to the report in the papers, the chamber of commerce finds that there is no lack of steamship facilities to South America. If the newspaper reports are correct, they arrive at this surprising result by consulting the steamship agents in New York City. It seems to me very queer to ask the steamship agents here if they would be anxious to have a new competing line, which might reduce freight rates. Wouldn't it be natural for any sensible person, making such an investigation, to consult the exporters and importers in New York, who would be the ones to benefit from any improvement in the shipping facilities? I have consulted, by telephone, with a number of large exporters and importers yesterday morning, and find that none of them have been consulted, and they seem to be just as indignant about the report as I am.

I inclose you copy of a letter which I have written at the request of a representative of the Department of Commerce and Labor, who came to see me, and, in addition, I wish to state that, without consulting anybody, the chamber of commerce could easily have found out that the tremendous advance of freight rates to Brazil and the Argentine Republic shows unquestionably a lack of freight room, because anybody is aware that the freight rates are governed by the rule of supply and demand. Anybody familiar with shipping will know that the withdrawal of the German tonnage all over the world, as well as the commandeering of a large amount of English tonnage by the British Government, has created a shortage all over the world.

But in regard to the American situation the position is rather curious, as I will explain to you herewith:

All shipments to Central America and Colombia are made by the United Fruit Co. or the Panama Railway Co., which are both now under the American flag, and since the outbreak of the war freights have not been advanced by these lines.

The shipments to Venezuela are made by the Red D Line, also running under the American flag, and these rates have also not been advanced.

Shipments to the west coast of South and Central America are made from Panama by the Pacific Mail and the Peruvian and Chilean lines, also from here direct through the Panama Canal by the Merchants' Line under the American flag. On all these routes the freight rates have not been advanced.

To Santo Domingo, the Clyde Line, under the American flag, has also not advanced its freight rates, while the Dutch line, running to Haiti, Venezuela, and Surinam, advanced its freight rates at the beginning of the war 50 per cent, but finding that the American lines had made no advance, reduced it again to 25 per cent above the rates before the war.

In great contrast to these are the freight rates to Brazil and the River Plata, where there is only one American line running, which forms only a very small percentage of the steamers running to these countries, and this line is under the control of the United States Steel Corporation.

Freight rates to the Argentine Republic have advanced as follows: Turpentine was 25 cents case net, now 30 cents plus 25 per cent surtax; kerosene was 17 cents case net, now 21 cents case net; white pine was \$10.50 per 1,000 feet net, now \$12 plus 25 per cent per 1,000 feet; all other rates 25 per cent surtax.

And for lumber cargoes, which form one of the principal exports from this country to the Argentine Republic, the freight has advanced over 100 per cent. For instance, for pitch pine, steamers from the Gulf to the River Plata, would have been a few months ago 100s., while at present 225s. has been refused by the steamers.

We have received repeated complaints from our customers that they were unable to ship the freight contracted for in Brazil for this country on account of lack of space. I have no doubt that shippers on both sides avoid the English steamers as much as possible for fear of their withdrawal from the market.

I inclose a statement showing the advance of the rates in the trade to Brazil on different articles from June, 1914, to the present date.

Perhaps all these informations will interest you sufficiently to take up the matter with the different exporters and importers and present a report which differs from the one of the chamber of commerce and which may be of some interest to the Government in Washington.

Thanking you for your attention to this matter, I remain, dear Mr. Mead,

Yours, very truly,

JUSTUS RUPERT.

EXHIBIT 71A.

NEW YORK, January 9, 1915.

Comparison of freight rates for Brazil.

Commodity.	Port.	June, 1914.	Jan. 9, 1915.
Rosin.....per barrel..	Bahia.....	\$0.90	\$1.50
Do.....do.....	Rio de Janeiro....	.90	1.25
Do.....do.....	Santos.....	.90	1.40
Lubricating oil.....do.....	Pernambuco.....	2.52	3.00
Do.....do.....	Rio de Janeiro....	2.52	3.00
Do.....do.....	Santos.....	2.52	3.50
Turpentine.....case.....	Rio de Janeiro....	.55	.60
Do.....do.....	Santos.....	.61	.62
Paraffin.....cubic feet..	Do.....	.33	.45
Gasoline.....per case.....	Do.....	.17	.28
Refined petroleum.....do.....	Pernambuco.....	.17	.28
Do.....do.....	Bahia.....	.17	.28
Do.....do.....	Santos.....	.17	.28
Cement.....per ton.....	Rio de Janeiro....	3.60	8.00
Do.....do.....	Santos.....	4.20	9.60
Bacon.....per cubic foot..	Do.....	.32	.40
Lard.....per keg.....	Do.....	.45	.60
Flour.....per barrel.....	Pernambuco.....	.60	.90
Do.....do.....	Santos.....	.65	.90
Do.....per bag.....	Pernambuco.....	.27	.45
Do.....do.....	Santos.....	.30	.45
Peas, barley, sago.....per cubic foot..	Rio de Janeiro....	14.40	14.00
Canned fish.....do.....	Santos.....	.42	.45
Tobacco leaf.....do.....	Bahia.....	.40	.50
Chemicals.....do.....	Rio de Janeiro....	10.00	16.00
Do.....do.....	Bahia.....	13.20	18.00
Pharmaceutical products.....do.....	Do.....	.46	.55
Do.....do.....	Rio de Janeiro....	.36	.50
Hardware (builders').....do.....	Santos.....	.25	.45

The rates of freight for all ports in north Brazil, namely, Para, Manaus, Maranhão, and Ceará, remain unchanged, but a surcharge of 25 per cent has been imposed on all rates.

EXHIBIT 72.

THOMSEN & Co.,
New York, January 11, 1915.

Mr. CHARLES FERGUSON,

Commercial Agent, Department of Commerce,
15 Gramercy Park, New York, N. Y.

DEAR SIR: Referring to our interview of last week, I gladly avail myself of the opportunity to express to you in writing my opinion in regard to the condition of our present shipping facilities, particularly to the east coast of South America. The business which has been diverted to this country in consequence of the European war is of such magnitude, or rather the opportunities offered are so far-reaching, that extraordinary measures should be taken at once to supply the necessary tonnage in order to develop a trade which may be of lasting benefit to our country. With the elimination of the German lines during the continuance of the war and the irregular sailings of the English steamers the export trade is greatly hampered, and I believe that under present abnormal conditions only energetic measures can be of any assistance. Although I do not indorse a permanent policy of ownership by the Government, I do believe that during the present critical situation only the Government can assist the development of the business by purchasing steamers suitable for the trade. With quick action the present difficulties can be overcome, as only increased freight room in neutral steamers is needed to increase the business, as shipments are now delayed from four to six weeks in consequence of the scarcity of freight room. A further advantage would be gained by the fact that shippers would be able to ship by American steamers, which being neutral would not be apt to be withdrawn or postponed and insure at lower war premiums than the English boats. Neutral freight room is exceedingly scarce in spite of the very high rates of freight both ways—from and to South America—and the irregular and insufficient service of the existing lines does a great deal of harm to the development of a new outlet of American goods.

I believe there are enough idle steamers at present which the Government could buy, put them under the American flag, and start at the shortest possible time a service which the exporters need so badly. We have a number of able shipping men in New York who are conversant with the South American trade, and under their advice and management a service could be inaugurated within a short period which would certainly be of immense benefit to the future of our export trade. I am not speaking of a steamer service to carry passengers, but solely to carry cargo; and there is no doubt in my mind that it would be easy to buy a sufficient number of suitable boats for that purpose and start with a line for the principal ports, say, Pernambuco, Rio, Santos,

Montevideo, and Buenos Aires. The west coast is fairly well covered by steamers under the American flag, and some neutral steamers.

Shipping conditions to Europe are, of course, unsatisfactory, on account of England's interference with the free movement of all neutral steamers, and the consequent delay of these boats in English ports has created a shortage of tonnage, which led to a considerable increase in the freight rates. Under ordinary conditions and after peace has been reestablished there are enough steamers to take care of the needs of commerce between here and Europe, but the growing trade to and from Brazil and the River Plate demands better facilities, and I hope that the Government will embrace the present opportunity and help the merchants now to increase the South American trade, a large part of which would surely remain with us after the war, provided sufficient shipping facilities are offered.

I remain, dear sir,
Yours, very truly,

H. J. RIEDEL.

EXHIBIT 73.

[Telegram.]

DEPARTMENT OF COMMERCE AND LABOR,
Washington, January 2, 1915.

BOSTON MARITIME ASSOCIATION,
156 State Street, Boston, Mass.:

If any insurable American vessel available for charter carrying cotton Germany or Austria communicate Texas-Oklahoma Cotton Co., Fort Worth, Tex., immediately. These parties state unable to secure insurable American bottom.

WILLIAM C. REDFIELD,
Secretary of Commerce.

EXHIBIT 73A.

JANUARY 2, 1915.

MY DEAR SIR: Your favor of the 31st ultimo is received.

Is it not the fact that the *Malden*, *Melrose*, and the *Everett* are colliers, taking coal from Norfolk to Boston? On what terms and how soon are they ready for charter for the foreign trade, and is insurance available for them in that trade to northern European points during the winter?

Is it not the fact that the *Peter H. Crowell* and the *Lewis K. Thurlow* have charters to carry lumber from the Pacific coast through the Panama Canal to the Atlantic coast? If so, when do these charters expire?

Is it not the fact that the *Middlesex*, *Suffolk*, *Hampden*, *Transportation*, *Coastwise*, and *Norfolk* are colliers for the coastwise trade? Are they running in that trade now? If not, on what terms are they open for charter, and is insurance available for them to northern European ports at this season?

Where are the steamships *F. J. Lisman*, *M. E. Harper*, *Seaconnet*, and *Penobscot* now, and on what terms are they available?

I have before me both letters and telegrams of the most urgent character, from which I quote this: "No insurable American bottom procurable for transporting cotton." And another: "Find it impossible to charter American steamer acceptable to marine underwriters. Can be big business, provided ships available."

If the vessels you mention are available for charter, as you say, how is it they are not taken at a time when anxious shippers are searching everywhere for bottoms?

Kindly let your letter be as detailed as practicable.

I have wired you to-day, as per inclosed copy. Please advise me the reply you make to the Texas-Oklahoma Cotton Co.

Yours, very truly,

(Signed)

WILLIAM C. REDFIELD, Secretary.

Mr. R. R. FREEMAN,
Corresponding Secretary Boston Maritime Association,
156 State Street, Boston.

EXHIBIT 73B.

[Boston Maritime Association.]

BOSTON, MASS., January 4, 1915.

HON. WILLIAM C. REDFIELD,
Secretary Department of Commerce, Washington, D. C.

DEAR SIR: Your telegram and letter of the 2d instant duly received. The following is the present disposition of steamers named in our list of December 9: *George Hawley*, left Falmouth Saturday for Copenhagen after detention of over a month; *Edison Light*, was at Shields, England, 31st, being bound from New York to Gothenberg with cotton; *L. V. Stoddard*, left New York 3d for North Sea port with cotton; *George E. Warren*, at Portland, goes to New York to load for Rotterdam; *Edward Pierce*, at Gothenberg or Copenhagen, with general cargoes from New York.

These steamers will probably go abroad again on their return. The *Peter H. Crowell* and *Lewis K. Thurlow* are under charter for Pacific trade, via Panama Canal, and charterers have option of about nine months more charter. The owners of last three steamers named have already contracted for a new 7,000-ton boat to be delivered in 10 months. The *Malden*, *Melrose*, *Newton*, and *Everett*, owned by the New England Coal & Coke Co., are used by them in supplying their coal trade. They have been open for charter from northern port to Europe, but so far owners have been unable to obtain conditions that would warrant them sending them to North Sea ports. The *Pacific* and *Atlantic* are still on the Pacific route, and I understand are in market for sale. The *Amalco* has been recently tanked and now engaged in oil trade. The *Middlesex*, *Suffolk*, *Hampden*, *Transportation*, and *Coastwise* are still running in the coal trade, but open for charter when conditions warrant. The *Lisman*, *Penobscot*, *Seaconnet*, and *M. E. Harper* are running coal under charters running for short periods.

None of the owners would consider sending their vessels to Gulf to load with nearly equivalent rates quoted from New York. The American iron ship *Vincent* was, I understand, sold to cotton people Saturday.

The insurance on all of the above steamers is largely placed in British and German companies, and for ports between Eastport and Rio, to go abroad, requires arrangements made to cover extra risk, and in nearly every case inquired into large amounts have been canceled, calling for placing of risks canceled in new companies and extra premiums. To obtain new insurance to cover steamer has been almost impossible, while extra premium and war risk becomes almost prohibitive. This in one steamer now in Europe amounted to \$25,000, and she went to a neutral port in North Sea. On seven of the steamers

quoted in our list the extra premium and war risk on hull alone amounts to about \$40,000 per ship if bound to a German port. One of our largest shipping concerns have had their representative in England for a month with orders to buy a steamer. He can find none ready and could contract for none earlier than 1916 delivery.

I am sending the following telegram to-day to the Texas-Oklahoma Cotton Co., Fort Worth, Tex.:

"No Boston steamers offering Texas loading. Would you purchase new American steamer now due here, about 15,000-bale capacity, \$600,000?"

Yours, very truly,

R. R. FREEMAN,
Corresponding Secretary.

EXHIBIT 73C.

[Furnished by Boston Maritime Association, 156 State Street.]
BOSTON, MASS., December 9, 1914.

List of tonnage opened for foreign trade owned in Boston.

Steamers.	Dead-weight capacity of tons.	Steamers.	Dead-weight capacity of tons.
Malden.....	7,300	Suffolk.....	7,500
Melrose.....	7,300	Hampden.....	7,500
Newton.....	7,300	Transportation.....	6,600
Everett.....	7,300	Coastwise.....	6,600
F. J. Lisman.....	3,700	Norfolk.....	5,500
M. E. Harper.....	3,700	Edison Light ¹	4,000
Seaconnet.....	3,700	George Hawley ¹	4,000
Penobscot.....	3,700	L. V. Stoddard ¹	4,000
Edward Pierce.....	6,800	George E. Warren.....	4,000
Peter H. Crowell.....	4,900	Pacific ²	8,500
Lewis K. Thurlow.....	5,100	Atlantic ²	8,500
Amalco.....	5,000		
Middlesex.....	7,500	Total.....	140,400

¹ Now chartered for Europe.

² Engaged in Atlantic-Pacific trade.

EXHIBIT 73D.

[Boston Maritime Association.]

BOSTON, MASS., January 5, 1915.

HON. WILLIAM C. REDFIELD,
Secretary Department of Commerce, Washington, D. C.

DEAR SIR: The Texas-Oklahoma Cotton Co., by wire, advise that they could not consider a steamer of size named them, requiring smaller tonnage, insurance available being limited.

Since writing you yesterday one of the large steamers named in my memoranda has been closed for Europe from New York, and others are considering charter there.

Yours, truly,

R. R. FREEMAN,
Corresponding Secretary.

EXHIBIT 74.

[Rumsey & Co. (Ltd.), Seneca Falls Pump & Fire Engine Works.]

SENECA FALLS, N. Y., January 8, 1915.

THE DEPARTMENT OF COMMERCE AND LABOR,
Bureau of Foreign and Domestic Commerce,
Washington, D. C.

GENTLEMEN: It seems to us a shame that while a great many public-spirited concerns are doing their utmost to put our country ahead of the individual and to do all they can to help our country to get in strong commercially during this juncture, that some of the steamship companies should be taking exactly the opposite course and exacting the utmost that they can get in the way of rates, regardless of the effect that it has upon the future of the country. A comparison of freight rates prevailing before the war and those which are being asked at present shows many instances where the present rate is over twice what was previously asked, and the vessels leaving with all they can possibly carry. If we or any other manufacturer get in touch with a merchant, we will say, in Italy, who has been buying German goods, and he is now half inclined to buy the same goods from the United States, how great an obstacle steamship companies throw in the way of our inducing them to make the change, by their exorbitant rates. Can't the steamship companies be made to look at this matter in a broader way and do their part to help the country to win new customers and new markets instead of striving to exact the utmost toll simply because they have got for the moment the strangle hold?

Yours, very truly,

RUMSEY & CO. (LTD.),
Per HAMILTON GAINNY.

EXHIBIT 75.

[Extract from telegram to Secretary of the Treasury from B. N. Baker, Baltimore, Md., Dec. 24, 1914.]

Have a cable from London this morning offering 4 new steamers, immediate delivery, one 12,000, two 11,000, and one 8,000 tons, dead-weight capacity, basis of \$40 a ton and 4 guaranteed delivery within six months at same basis. All English or French built or building now, so there would be no difficulty in securing any amount of tonnage.

EXHIBIT 75A.

[Copy of cable received from B. N. Baker, Baltimore, Md., Dec. 22, 1914.]

CLT.

TARHEEL, London:

Can you offer sale several new steamers near delivery 10 to 12 thousand tons D. W. about 10 knots immediate cash Panama no chance.

BERNADINE.

EXHIBIT 75B.

[Copy of cable sent Dec. 23, 1914.]

CLT.

BERNADINE, Baltimore:

Can offer if unsold steamer completing St. Nazaire 12,000 tons eleven knots Lloyds class 100 A1 sister ship ready 6/8 months 90,000 each *Andreas* built Doxford 10,300 tons ten knots Returning maiden voyage New York Could deliver February 85,000 Would five 8,000 ton ten knots single deck building interest Might get them 75,000 each First about ready All delivered six months Feild

BERNARD N. BAKER,
Baltimore, Md., U. S. A.

EXHIBIT 75C.

LONDON, December 23, 1914.

B. N. BAKER, Esq.,
Baltimore, Md., U. S. A.

DEAR BERNARD: I confirm cable sent to-night, offering you the three boats, particulars of which I mailed you yesterday.

As stated in my letter yesterday, all available tonnage is in great demand here at present, and up to this evening I have been unable to get anything else to offer. At the same time, I shall continue my search. I included in my cable an inquiry as to whether five 8,000-ton, 10-knot boats would interest you.

I know of five boats of these dimensions, which are being built for one company.

The first one is just completing, and they say all five of them will be completed within six months.

The builders inform me that they think they could get the owners to sell them for £75,000 each, and it occurred to me that possibly five sister boats, though they were 2,000 tons below the capacity you want, might be attractive to you, and I await your reply before further considering them.

Unfortunately, I learn that the steamer *Andreas* has already left New York, returning from her maiden voyage. She belongs to a Greek, who is simply willing to sell her for cash at something more than he paid for her. She, of course, is a new steamer, completed in November.

I was very much in hopes you could see her while she was in New York, but the owner has just informed me that she has left New York. She could be delivered on this side, however, in February, or possibly sooner, if she has finished discharging.

If you must have 10,000 tonners, she strikes me as being a suitable boat. She was built by Doxford & Sons, of Sunderland.

The two steamers which I offer you built at St. Nazaire ought to be attractive to you. They are not dear at £90,000.

The first one is about ready for delivery, and has been named *Ohto*. Her sister ship, they say, will be ready in about six or eight months.

There were three contracted for before the war. The contractor has failed, and the builder is offering them at a slight profit over the contract price.

The builders, Chantiers & Ateliers, are reputable people.

I hope in your letter you will give me some definite information as to what the ships are wanted for.

If they wanted to run from New York to Frisco, I think the Government here could easily be induced to allow them to go under the American flag. While if they are intended for regular tramp business, and possibly to carry cargo to belligerent countries, they might possibly place some difficulties in the way of the builders exporting them to a neutral country. At the same time I believe this difficulty might be overcome.

The possibility of this difficulty, of course, would not arise with either the French or the Greek boats.

I believe I can offer you any available boats to be had, and sincerely hope we may be able to do some business.

Of course, when it comes to final business, all of these prices might be subject to counter offers.

Owing to the condition of the market, however, owners will not make firm offers until they are satisfied it means business.

Yours, sincerely,

THOMAS L. FEILD.

EXHIBIT 76.

STEAMERS FOR SALE BY MERCHANT MARINE AGENCY, 1123 OLD SOUTH BUILDING, BOSTON, MASS., J. V. MCCARTHY, MANAGER.

[We can not make the prices or offers of the steamers as firm offers; they are subject only to being still available on receipt of your reply. We will not be responsible for errors in description.]

No. 1.—8,880 tons dead-weight, including bunkers, on 26½ feet draft. Built 1912 of steel, 100 A1 Lloyd's; dimensions, 412 by 52 by 30½ feet; molded, cubic capacity, 535,000 cubic feet; 11½ knots on a moderate consumption; triple engines, cylinders 28 inches, 46½ inches, 78 inches, by 54-inch stroke; 3 boilers, 200 pounds working pressure; water ballast in cellular bottom, peaks, and deep tank; 6 hatches; 11 winches; steam steering gear; 'tween decks, 9 feet high; bronze propeller; electric light; two decks laid, with complete shelter deck above same. Accommodations for a few first-class passengers. Bilge keels 170 feet amidships; Crompton's ash hoist; ventilators to each hold. Gross register, 4,863; net register, 3,109. Price, \$420,000.

No. 2.—7,800 tons dead-weight, including bunkers, on 23½ feet draft. Built 1913 of steel, 100 A1 Lloyd's; dimensions, 390 by 50.6 by 30.4 feet; molded, large cubic capacity; 10½ knots on 31 tons' consumption; triple engines, cylinders 26 inches, 43 inches, 71 inches, by 48-inch stroke; 3 boilers, 180 pounds working pressure; water ballast in cellular bottom and peaks; 6 hatches; 10 winches; steam steering gear; 'tween decks, 8½ feet high; powerful derricks; very complete specifications; 4 ventilators to each hold; telescopic topmasts, and special ventilators for perishable cargoes; two decks laid, with poop, bridge, and forecastle. Accommodations for a few first-class passengers. Gross register, 4,814; net register, 3,021. Price, \$390,000.

No. 3.—7,300 tons dead-weight, including bunkers, on 23 feet draft. Built 1913 of steel, British corporation; dimensions 376 by 52 by 28 feet; molded, large cubic capacity; 10½ knots on 26 tons' consumption; triple engines, cylinders 25 inches, 41 inches, 68 inches, by 48-inch stroke; 3 boilers, 180 pounds working pressure; water ballast in cellular bottom, peaks, and deep tank; 6 hatches; 10 winches; steam steering gear; shafting in excess of Lloyd's; exceptionally full specifications; 'tween decks, 8 feet high; powerful derricks; bronze propeller, electric lights, clear holds, deep bulb angle frames; two decks laid, with poop,

bridge, and topgallant forecastle. Gross register, 4,411; net register, 2,834. Price, \$350,000.

Above boats are under British registry.

No. 4 (withdrawn).—8,200 tons dead-weight, including bunkers, on 24.6 feet draft. Built, 1914, of steel; 100 A1 Lloyd's; dimensions, 400 by 52 by 30 feet; molded; cubic capacity, 440,839 cubic feet; 10½ knots on a moderate consumption; triple engines; cylinders, 26 inches, 42 inches, 70 inches by 48-inch stroke; 3 boilers, 180 pounds working pressure; water ballast; 1,222 t.; 5 hatches; 10 winches; 2 decks; steam heating amidship; ice room; steam ash hoist; winch condenser. Gross register, 4,985; net register, 3,144. Price, \$342,500.

No. 5.—8,700 tons dead-weight, including bunkers, on 26.8 feet draft. Built, 1912, of steel; 100 A1 Lloyd's; dimensions, 423.6 by 52 by 30.6 feet; molded; cubic capacity, 535,090 cubic feet; 12½ knots on a moderate consumption; triple engines; cylinders, 28 inches, 46½ inches, 78 inches by 54-inch stroke; 3 boilers, 200 pounds working pressure; water ballast in cellular bottom, peaks, and deep tank; 6 hatches; 10 winches; steam steering gear; 'tween decks, 10.1 feet high; bronze propeller; electric light; three decks laid; shelter deck. Telescopic topmast. Net register, 3,095. Price, \$350,000.

No. 6 (two steamers, duplicates).—9,000 tons dead-weight, including bunkers, on 24.11 feet draft. Built, 1912, of steel; 100 A1 Lloyd's; dimensions, 420.2 by 54 by 28.5 feet; molded; 531,630 cubic feet capacity; grain; 10½ knots on a moderate consumption; triple engines; cylinders, 26 inches, 43 inches, 70 inches by 48-inch stroke; 2 double-end boilers, 180 pounds working pressure; water ballast 2,397 t. in cellular bottom, peaks, and deep tank; 5 hatches; 10 steam winches; 'tween decks, 8 feet beam; bronze propeller; wireless; 1 derrick for 3 t.; 10 derricks; 7-inch gun-metal liner on shaft; nautical draft-plate keel; 3 decks laid; shelter deck 8 feet high; steam steering gear. Two staterooms for 4 or 6 passengers. Net register, 3,173. Price, \$375,000.

No. 7.—11,780 tons dead-weight, including bunkers, on 28.3 feet draft. Built, 1913, of steel; 100 A1 Lloyd's; dimensions, 470.4 by 58 by 34.10 feet; molded; cubic capacity, 645,000 cubic feet bales; 12 knots on a moderate consumption; triple engines, amidship; cylinders, 26½ inches, 45 inches, 75 inches by 48-inch stroke; 2 boilers, D. E. tubular, 200 pounds working pressure; water ballast in cellular bottom 2,939 t., also in peaks and tanks; 6 hatches; 12 steam winches; steam steering gear; two decks laid; coefficient '75 nautical draft; side lights on poop, bridge, forecastle, and 'twens; 14 derricks, those on main deck for 10 t., on bridge for 7 t.; electric light; wireless. Net register, 4,625 t. Price, \$625,000.

Above steamers are under British registry.

No. 8.—10,570 tons dead-weight, including bunkers, on 26.9 feet draft. Built, 1913, of steel; 100 A1 Lloyd's special survey No. 2, 1911; dimensions, 455.8 by 55.2 by 33.10 feet; molded, cubic capacity, 605,045 feet; 10½ knots on 38/40 tons consumption; triple engines amidship; cylinders, 27 inches, 46 inches, 76 inches by 51-inch stroke; three boilers, S. E. tubular, 200 pounds working pressure, water ballast, 3,896 t. in cellular bottom; peaks and deep tank; 6 hatches; 11 steam winches; and 10 derricks; steam steering gear; electric light and wireless; two decks laid. Net register, 4,286. Price, \$450,000.

No. 9.—8,200 tons dead-weight, including bunkers; 25.4½ feet draft. Built, 1913, of steel; dimensions, 380 by 53 by 28.6 feet; molded, cubic capacity 490,927 grain, 453,791 cubic feet bale; 10½ knots on 30 tons consumption; triple engines amidship; cylinders, 26 inches, 42 inches, 70 inches by 48-inch stroke; two S. E. and one auxiliary S. E. boilers, 180 pounds working pressure; water ballast; 1,297 t. in C. D. B. and peaks; 6 hatches; 10 steam winches; and steam steering gear; two decks laid, one of which is steel; shelter deck, part steel and part iron; plate keel; electric light; two main boilers; forced draft; side lights in poop; built propeller, with manganese-bronze blades; spare blades; 25 t. evaporator. Net register, 2,778. Price, \$380,000.

No. 10.—8,000 tons dead-weight, including bunkers, on 24.6 feet draft. Now building; will be ready for delivery in February or March, 1915; of steel; dimensions, 401 by 52.1 by 30 feet; molded; triple engines; cylinders, 27 inches, 44 inches, 75 inches by 48-inch stroke; surface condenser; 10 to 11 knots. Price, \$370,000.

No. 11 (withdrawn).—8,575 tons dead-weight, including bunkers, on 24.10 feet draft. Built, 1914, of steel; 100 A1 Lloyd's; dimensions, 385.6 by 53.6 by 36 feet to shelter; cubic capacity, 503,520 cubic feet; 9½ knots, loaded, on 25 tons consumption; triple engines amidship; cylinders, 25 inches, 42 inches, 68 inches by 48-inch stroke; three boilers, S. E. tubular, 180 pounds working pressure; 5 hatches; 10 steam winches; steam steering gear; steam windlass; two decks laid, one of steel, one of iron; shelter deck. Net register, 2,895. Price, \$320,000.

No. 12.—10,320 tons dead-weight, including bunkers, on 26 feet draft. Built, 1914, of steel, class, British corporation; dimensions, 425 by 55.5 by 30 feet; molded; two decks laid; shelter deck; cubic capacity, 597,710 cubic feet; 10½ knots laden, about 40 tons consumption; triple engines amidship; cylinders, 28 inches, 45 inches, 75 inches by 51-inch stroke; three tubular boilers, 180 pounds working pressure; 10 steam winches; 10 derricks; also 2 small ones on poop; coefficient, '79. Most up-to-date steamer, with desking, telegraph, shifting boards, cargo battens, telescopic topmast, with crossstrees at top and tables at bottom. All holds inside coated with bitumastic enameled composite, etc. Net register, 3,500. Price, \$400,000.

Above steamers are under British registry.

No. 13.—8,800 tons dead-weight, including bunkers, on 24.6 feet draft. Built 1913 of steel, class B. S., British corporation; dimensions, 402 by 54 by 27.6 feet; molded, cubic capacity, 540,442 cubic feet; 10 knots on 28 tons consumption; triple engines; cylinders, 26 inches, 42 inches, 70 inches by 48-inch stroke; surface condenser, 3 boilers, S. E. tubular, 180 pounds working pressure; water ballast, C. D. B., F. and A. P. T.; 7 steam winches, 1 deck, and shelter laid. Net register, 2,930. Price, \$325,000.

No. 14.—8,036 tons dead-weight, including bunkers, on 24.5 feet draft. Built 1914 of steel, 100 A1 Lloyd's; dimensions, 385 by 52 by 29.6 feet; molded, cubic capacity 432,979 cubic feet; 10 knots on 28 tons consumption; triple engines, amidship; cylinders, 25 inches, 40 inches, 68 inches by 48-inch stroke; surface condenser, 3 boilers, S. E. tubular, 180 pounds working pressure; water ballast, 1,183 t. in C. D. B., F. and A. P. T.; 5 hatches, 10 steam winches, steam windlass, steam-steering gear; 1 deck laid, steel, 'tween deck, 7.6 feet; 12 derricks, 4 derrick posts; wood-grain divisions, coefficient, '783; steam heating, bilge keels; four 18-inch vents each hold; ice room; steam-ash hoist; Morrison 25 t. evaporator; F. water condenser, 1,500 gallons, etc. Net register, 2,955. Price, \$315,000.

No. 15.—8,150 tons dead-weight, including bunkers, on 24.3 feet draft. Built 1913 of steel, highest British corporation; dimensions, 385 by 52.1 by 29.6 feet; molded, cubic capacity, 430,208 cubic feet

grain, or 409,047 cubic feet bales; 9.5 to 10 knots on 27 tons ordinary consumption; triple engines, amidship; cylinders, 25 inches, 40 inches, 68 inches by 48-inch stroke; surface condenser, 3 S. E. tubular boilers, 180 pounds working pressure; water ballast, 1,430 t., C. D. B. and peaks; 6 hatches; 10 steam winches; steam windlass; steam-steering gear; 1 deck laid, steel; 1 spare room for passenger accommodation; 12 derricks and tables; 4 derrick posts; grain divisions; steam propeller; shafts; evaporator and heater; also winch condenser. Net register, 2,954. Price, \$340,000.

Above steamers are under British registry.

No. 16.—Steamship built of steel, to carry passengers and cargo; twin screw; built, 1894; engines, triple; indicated horsepower, 2,500; length, 383.4 feet; breadth, 46 feet; depth, 27.2 feet; registered gross tonnage, 4,761; electric light; sub. sig.; 12 knots; arranged to carry 16 first and second class passengers, 1,000 steerage. Price, \$375,000.

No. 17.—Passenger and cargo steamer arranged to carry 137 first and second class, 1,260 steerage; built of steel, 1894; twin screw; engines, triple; indicated horsepower, 2,500; length, 383.4 feet; breadth, 46 feet; depth, 27.2 feet; registered gross tonnage, 5,640; electric light; sub. sig.; 12 knots. Price, \$625,000.

No. 18.—Passenger and cargo steamer arranged to carry 120 first and second class, 1,344 steerage; built of steel, 1899; twin screw; engines, triple; speed, 13 knots; indicated horsepower, 3,200; length, 428.9 feet; breadth, 54.3 feet; depth, 39.4 feet; registered gross tonnage, 7,414; electric light; sub. sig. Price, \$625,000.

No. 19.—Passenger and cargo steamer arranged to carry 35 first and second class, 206 third class, 2,144 steerage; built of steel, 1899; twin screw; engines, quadruple; speed, 12 knots; indicated horsepower, 5,500; length, 501 feet; breadth, 58.1 feet; depth, 36.7 feet; registered gross tonnage, 10,058; electric light; wireless telegraphy; sub. sig. Price, \$1,125,000.

No. 20.—Passenger and cargo steamer arranged to carry 210 first class, 224 second class, 1,343 steerage; built of steel, 1896; twin screw; engines, quadruple; speed, 16 knots; indicated horsepower, 7,000; length, 523 feet; breadth, 60.1 feet; depth, 34.8 feet; registered gross tonnage, 10,695; electric light; Stone Lloyd bulkhead doors; sub. sig. Price, \$1,250,000.

No. 21.—Passenger and cargo steamer arranged to carry 110 first class, 175 second class, 252 third class, 1,660 steerage; built of steel, 1896; twin screw; engines, quadruple; speed, 16 knots; indicated horsepower, 7,000; length, 526.4 feet; breadth, 60 feet; depth, 34.6 feet; registered gross tonnage, 10,915; electric light; Stone Lloyd bulkhead doors; sub. sig.; wireless telegraphy. Price, \$1,250,000.

No. 22.—Passenger and cargo steamer arranged to carry 133 first and second class, 1,450 steerage; built of steel, 1901; twin screw; engines, quadruple; speed, 13 knots; indicated horsepower, 3,400; length, 429.3 feet; breadth, 54.3 feet; depth, 39.6 feet; registered gross tonnage, 7,524; electric light; sub. sig. Price, \$812,500.

Above steamers are under German registry.

EXHIBIT 77.

[Panama Railroad Co., Panama Railroad, Panama Railroad Steamship Line.]

NEW YORK, January 15, 1915.

SIR: I confirm the following statement made to you this morning regarding our contract with the Earn-Line:

The Earn-Line Steamship Co. is an American corporation located in Philadelphia, and operates time-chartered tramp steamers in the West Indian trade.

It is under contract with us to furnish tonnage to transport from Hampton Roads to the Canal Zone all the coal we require for the operations of our company and the Panama Canal, and is similarly under contract with the Maryland Steel Co. to carry all its ore from Cuban ports to Sparrows Point. It is because of these contracts, giving its steamers full cargoes both ways, that the Earn-Line is able to carry our coal and the Maryland Steel Co.'s ore at lower rates than its competitors.

In the early part of September we had a large stock of coal on hand, and as the requirements of steamers passing through the canal had become considerably lessened we notified the Earn-Line that at least for a month or two we would not require more than 20,000 tons per month. There was no outward West Indian business to which these steamers could then be assigned, and the Earn-Line, figuring they could profitably employ some of their steamers in the European freight trade, and that there would be no question of their returning to this country the latter part of October, chartered four of them for European business.

These steamers arrived out with their cargoes were delayed in discharging because of lack of berthing facilities, labor, etc., were then taken over; first, by the English, and then by the French Governments for the carriage of stores, ammunition, etc., and are still on the other side with no immediate prospect of their return to this country until these two Governments release them.

In the meantime the demands for coal considerably increased and we call upon the Earn Line to furnish the tonnage required. Our stock has been reduced from 90,000 to 40,000 tons, and both the Earn Line and our company are scouring the charter market in the effort to secure sufficient tonnage to carry to the Isthmus the amount of coal it is imperative we should keep there. The usual charter rates for vessels of this kind range from 3s. 2d. to 3s. 9d. per dead-weight ton. The agents of the Earn Line have informed me that in some instances they have, by instructions of their principals, offered owners, all of whom are located in Europe, as high as 11s. per ton, and are at the present time making offers on all steamers that are open for business even at such high rates that the officials of the Earn Line know it will mean a severe loss to them if the vessels are secured, and might, if conditions do not improve, result in their retirement from business.

We have the right under our contract to go out in the market and charter any steamers we can secure in the event that the Earn Line does not furnish the tonnage we call for. We have this in view, but we know we can not make any better progress in this direction than the agents of the Earn Line and that our interference might simply result in increasing the present high rates by unnecessarily adding to the number of concerns that are seeking tonnage.

Yours, respectfully,

(Signed) T. H. ROSSBOTTOM,
Assistant to Vice President.

The SECRETARY OF COMMERCE,
Washington, D. C.

EXHIBIT 78.

[From the New York Journal of Commerce, January 2, 1915.]

ABNORMAL FREIGHT RATES FOLLOW TONNAGE SCARCITY—CHAOTIC CONDITIONS PREVAILED AFTER DECLARATION OF EUROPEAN WAR—FIRST SIX MONTHS OF THE YEAR WITHOUT STARTLING FEATURES—RATES MAINTAINED EASY LEVEL—LOSS OF GERMAN MERCHANT MARINE, COMBINED WITH EXPANSION IN FREIGHT MOVEMENT, BRINGS RECORD-BREAKING FREIGHT RATES.

Conditions in the steamship freight trade were at the two extremes during the year just ended. The year opened with freight business, both import and export, affected to a material degree by the internal depression in this country. During the first six months freight rates were easy and fluctuated within a narrow margin. The advent of the European war in August brought chaotic conditions, but out of the maelstrom there developed a period of high freight rates seldom, if ever, approximated in the annals of the shipping world.

During the early part of the year trade, both foreign and domestic, felt the heavy hand of depression. The pendency of the request for a 5 per cent advance in railroad freight rates, the assimilation of the new tariff, and the reorganization of the banking system of the country combined to lessen the volume of trade. The steamship lines faced a dull year. Aside from the movement of old-crop grain, which furnished good freight, the lines lacked the stimulating effect of an active movement in general cargo. Exports of manufactured articles and imports of supplies from Europe, the Orient, and South America dropped to a low level under the repressive conditions that obtained.

In March there was quite a flurry in freight rates, but the upward movement was only spasmodic. Rates soon dropped back to the level effective at the beginning of the year. How berth rates acted in the first five months of the year is shown in the following compilation of berth rates to the principal ports of Europe. The figures show the berth rates quoted by the lines on the first of each month from January to August.

LIVERPOOL.

	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	2 d.	2 d.	1½ d.	1½ d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cotton, compressed.....	28 c.	25 c.	25 c.	20 c.
Cottonseed oil.....	4 s. 6 d.	4 s. 6 d.	4 s. 6 d.	4 s. 6 d.
Sack flour.....	14 c.	12 c.	12 c.	11 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	1½ d.	1½ d.	2½ d.	2½ d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cotton, compressed.....	20 c.	20 c.	20 c.	20 c.
Cottonseed oil.....	4 s. 0 d.	4 s. 0 d.	4 s. 0 d.	4 s. 0 d.
Sack flour.....	10 c.	10 c.	12 c.	12 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

LONDON.

	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	2½ d.	2 d.	2 d.	1½ d.
Provisions.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cottonseed oil.....	5 s. 0 d.	5 s. 0 d.	5 s. 0 d.	5 s. 0 d.
Sack flour.....	15 c.	13 c.	13 c.	12 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	1½ d.	1½ d.	1½ d.	2½ d.
Provisions.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cottonseed oil.....	4 s. 6 d.	4 s. 6 d.	4 s. 6 d.	4 s. 6 d.
Sack flour.....	11 c.	11 c.	13 c.	13 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

GLASGOW.

	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	2 d.	2 d.	2 d.	1½ d.
Provisions.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cottonseed oil.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Sack flour.....	17 c.	15 c.	15 c.	15 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	1½ d.	(1)	2 d.	2 d.
Provisions.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cottonseed oil.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Sack flour.....	13 c.	13 c.	14 c.	14 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

¹ Nominal.

HULL.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	2½ d.	2½ d.	2 d.	2 d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cottonseed oil.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Sack flour.....	18 c.	17 c.	17 c.	17 c.
Measurement goods.....	15 s. 0 d.	15 s. 0 d.	15 s. 0 d.	15 s. 0 d.
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	1½ d.	2 d.	2 d.	2½ d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cottonseed oil.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Sack flour.....	15 c.	15 c.	17 c.	17 c.
Measurement goods.....	15 s. 0 d.	15 s. 0 d.	15 s. 0 d.	15 s. 0 d.
HAMBURG.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain (pfennig).....	32½	32½	32½	30
Provisions.....	32 c.	32 c.	32 c.	32 c.
Cotton, compressed.....	40 c.	35 c.	35 c.	35 c.
Cottonseed oil.....	32 c.	32 c.	32 c.	32 c.
Sack flour.....	15 c.	13 c.	12 c.	12 c.
Measurement goods.....	12 c.	12 c.	12 c.	12 c.
	May 1.	June 1.	July 1.	Aug. 1.
Grain (pfennig).....	32½	35	30	(1)
Provisions.....	32 c.	32 c.	32 c.	(1)
Cotton, compressed.....	35 c.	25 c.	25 c.	(1)
Cottonseed oil.....	32 c.	32 c.	32 c.	(1)
Sack flour.....	12 c.	12 c.	12 c.	(1)
Measurement goods.....	12 c.	12 c.	12 c.	(1)
BREMEN.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain (pfennig).....	32½	32½	32½	30
Provisions.....	25 c.	25 c.	25 c.	25 c.
Cotton, compressed.....	22 c.	22 c.	22 c.	20 c.
Cottonseed oil.....	25 c.	25 c.	25 c.	25 c.
Sack flour.....	16 c.	15 c.	15 c.	12 c.
Measurement goods.....	12 c.	12 c.	12 c.	12 c.
	May 1.	June 1.	July 1.	Aug. 1.
Grain (pfennig).....	30	32½	33	(1)
Provisions.....	25 c.	25 c.	25 c.	(1)
Cotton, compressed.....	20 c.	20 c.	20 c.	(1)
Cottonseed oil.....	25 c.	25 c.	25 c.	(1)
Sack flour.....	11 c.	11 c.	12 c.	(1)
Measurement goods.....	12 c.	12 c.	12 c.	(1)
ROTTERDAM.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	5½ c.	3½ c.	4½ c.	3½ c.
Provisions.....	28 c.	28 c.	28 c.	28 c.
Cotton, compressed.....	35 c.	25 c.	25 c.	25 c.
Cottonseed oil.....	28 c.	28 c.	28 c.	28 c.
Sack flour.....	13 c.	13 c.	12 c.	12 c.
Measurement goods.....	10 c.	10 c.	10 c.	10 c.
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	3½ c.	3½ c.	3½ c.	6 d.
Provisions.....	28 c.	28 c.	28 c.	28 c.
Cotton, compressed.....	25 c.	25 c.	25 c.	25 c.
Cottonseed oil.....	28 c.	28 c.	28 c.	28 c.
Sack flour.....	10 c.	10 c.	10 c.	11 c.
Measurement goods.....	10 c.	10 c.	10 c.	10 c.
COPENHAGEN.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	1 s. 10½ d.	1 s. 10½ d.	1 s. 10½ d.	2 s.
Provisions.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Cotton, compressed.....	40 c.	40 c.	40 c.	40 c.
Cottonseed oil.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Sack flour.....	18 c.	17 c.	17 c.	17 c.
Measurement goods.....	21 s. 3 d.	21 s. 3 d.	21 s. 3 d.	21 s. 3 d.

(1)Quotations withdrawn.

COPENHAGEN—continued.				
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	1 s. 10½ d.	1 s. 10½ d.	2 s.	2 s. 1½ d.
Provisions.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Cotton, compressed.....	40 c.	40 c.	40 c.	40 c.
Cottonseed oil.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Sack flour.....	17 c.	17 c.	19 c.	20 c.
Measurement goods.....	21 s. 3 d.	21 s. 3 d.	21 s. 3 d.	21 s. 3 d.
MARSEILLE.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	3 s. 0 d.	2 s. 9 d.	2 s. 7½ d.	2 s. 6 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cottonseed oil.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Sack flour.....	20 c.	20 c.	20 c.	18 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	2 s. 1½ d.	2 s. 6 d.	2 s. 10½ d.	3 s. 1½ d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cottonseed oil.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.
Sack flour.....	18 c.	18 c.	18 c.	18 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
HAVRE.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	2 s. 9 d.	2 s. 6 d.	2 s. 6 d.	2 s. 1½ d.
Provisions.....	30 c.	30 c.	30 c.	30 c.
Cotton, compressed.....	30 c.	25 c.	25 c.	25 c.
Cottonseed oil.....	35 c.	35 c.	35 c.	35 c.
Sack flour.....	22½ c.	22½ c.	22½ c.	22½ c.
Measurement goods.....	\$5	\$5	\$5	\$5
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	2 s. 1½ d.	2 s. 1½ d.	2 s. 1½ d.	2 s. 6 d.
Provisions.....	30 c.	30 c.	30 c.	30 c.
Cotton, compressed.....	25 c.	21 c.	21 c.	21 c.
Cottonseed oil.....	35 c.	35 c.	35 c.	35 c.
Sack flour.....	18 c.	18 c.	18 c.	18 c.
Measurement goods.....	\$5	\$5	\$5	\$5
GENOA.				
	Jan. 1.	Feb. 1.	Mar. 1.	Apr. 1.
Grain.....	3 s. 0 d.	2 s. 6 d.	2 s. 0 d.	1 s. 6 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cotton, compressed.....	40 c.	30 c.	30 c.	25 c.
Cottonseed oil.....	25 c.	25 c.	25 c.	25 c.
Sack flour.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.
Measurement goods.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.
	May 1.	June 1.	July 1.	Aug. 1.
Grain.....	2 s. 0 d.	1 s. 9 d.	2 s. 3 d.	2 s. 9 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cotton, compressed.....	25 c.	22½ c.	22½ c.	22½ c.
Cottonseed oil.....	25 s.	25 s.	25 s.	25 s.
Sack flour.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.
Measurement goods.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.

CHAOTIC CONDITIONS WITH ADVENT OF WAR.

The disorganization of steamship services, the enforced withdrawal of the German and American merchant marines, and the cost of war risk on hulls chargeable to freight combined to send up freight rates to Europe by the regular lines. Advances ranging from 100 to 400 per cent were made in the period from September to the end of the year, with rates firm and still advancing when 1914 closed.

During the month of August absolute disorder replaced the perfect running and intricate machinery of the steamship trade. The big lines withdrew all berth-rate quotations and would not make rates on any other than actual freight offers. Rates changed from day to day; in fact, rates on same conditions differed each hour of the day, but throughout the movement was upward, and when after a month of chaos the steamship lines recast their services to fit in with war conditions, thus enabling the quotations of berth rates, it was noticed that the freight rates were fully double those quoted immediately before the advent of the war.

The English lines suffered from many causes. Early in August their best ships were requisitioned by the British Admiralty. The movement of troops from Dover and other channel ports to France forced the British Government to order the lines using London as their terminal to send their boats to Liverpool. The Red Star Line, with its impor-

tant service to Antwerp, operated its boats to Liverpool. Many other changes of a similar nature occurred, so that it took considerable time before order was evolved out of chaos.

With the conclusion of the period of readjustment the volume of freight, temporarily diminished, began to assume large proportions. The Governments of France and England placed orders with manufacturers in this country, and the movement of these war materials required considerable space. Munitions of war, hospital equipment, foodstuffs, and a host of other articles began to arrive at the seaboard about the middle of September, all seeking fast transportation across the Atlantic. The lines, hampered by the loss of their best vessels through naval requisitioning, were forced to bring out numerous of the small vessels, and while eventually the volume of sailings to Europe was equivalent to the tonnage movement before the war the amount of freight offered to the lines continued to exceed the supply of vessels.

ABNORMAL FREIGHT RATES FOLLOW TONNAGE SCARCITY—CHAOTIC CONDITIONS PREVAILED AFTER ADVENT OF WAR.

Forwarding houses perceived the freight space would eventually be at a premium, and later developments proved that their surmise was correct. During October and November the steamship lines received demands for freight space on vessels sailing far in advance of current requirements. Late in November and throughout December the efforts of forwarders to secure freight space for both prompt vessels and those sailing in January were without avail.

INCREASING TRADE WITH NEUTRALS.

The Holland-American Line and the Scandinavian-American lines chartered numerous additional vessels to take care of the volume of freight offering. The Norwegian Government established a buying agency in this country in order to insure the maintenance of low prices on food products. Many ships took cargoes of foodstuffs; in fact, it has been estimated by freight authorities that fully 80 per cent of the excess movement of freight to Europe over last year consisted of foodstuffs.

With the three principal food-producing nations in the throes of martial conflict, those smaller nations of Europe formerly dependent on Germany, Austria, and Russia for grain found their source of supply cut off. The unusually heavy grain crop garnered in 1914 in this country enabled the supplying of Europe without trouble. The export surplus of wheat just fitted in with the extra requirements of Europe, and the price of grain, instead of declining in face of the heavy crops, advanced on the steady export demand.

How berth rates on the leading export commodities advanced in the last half of the year just closed is shown in the table appended. Comparison with the rates quoted at the beginning of the year and those in force just before the outbreak of the war show that as the year drew to a close the rates demanded by the lines had increased from 200 to 400 per cent over those in force before the war.

LIVERPOOL.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	2 d.	2½ d.	3 d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cotton, compressed.....	28 c.	20 c.	20 c.
Cottonseed oil.....	4 s. 6 d.	4 s. 0 d.	4 s. 0 d.
Sack flour.....	14 c.	12 c.	20 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	4 d.	6 d.	6½ d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cotton, compressed.....	35 c.	50 c.	60 c.
Cottonseed oil.....	4 s. 6 d.	4 s. 6 d.	5 s. 6 d.
Sack flour.....	21 c.	24 c.	26 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.

LONDON.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	2½ d.	2½ d.	3½ d.
Provisions.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cottonseed oil.....	5 s. 0 d.	4 s. 6 d.	4 s. 6 d.
Sack flour.....	15 c.	13 c.	21 c.
Measurement goods.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	3½ d.	6½ d.	7½ d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cottonseed oil.....	5 s. 0 d.	5 s. 0 d.	30 s. 0 d.
Sack flour.....	22 c.	25 c.	27 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.

HULL.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	2½ d.	2½ d.	4 d.
Provisions.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.
Cottonseed oil.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Sack flour.....	18 c.	17 c.	25 c.
Measurement goods.....	15 s. 0 d.	15 s. 0 d.	15 s. 0 d.

HULL—continued.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	4 d.	6½ d.	7 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cottonseed oil.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.
Sack flour.....	26 c.	28 c.	30 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.

HAVRE.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	2 s. 9 d.	2 s. 6 d.	2 s. 6 d.
Provisions.....	30 c.	30 c.	30 c.
Cotton, compressed.....	30 c.	21 c.	21 c.
Cottonseed oil.....	35 c.	35 c.	35 c.
Sack flour.....	22½ c.	18 c.	30 c.
Measurement goods.....	\$5	\$5	\$5

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	2 s. 9 d.	4 s. 0 d.	4 s. 0 d.
Provisions.....	40 c.	40 c.	40 c.
Cotton, compressed.....	45 c.	60 c.	100 c.
Cottonseed oil.....	45 c.	45 c.	45 c.
Sack flour.....	25 c.	36 c.	40 c.
Measurement goods.....	\$6	\$6	\$10

GENOA.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	3 s. 0 d.	2 s. 9 d.	3 s. 0 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cotton, compressed.....	40 c.	22½ c.	22½ c.
Cottonseed oil.....	25 c.	25 s. 0 d.	25 s. 0 d.
Sack flour.....	17 s. 6 d.	17 s. 6 d.	40 s. 0 d.
Measurement goods.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	4 s. 0 d.	5 s. 9 d.	6 s. 6 d.
Provisions.....	40 s. 0 d.	40 s. 0 d.	50 s. 0 d.
Cotton, compressed.....	75 c.	80 c.	100 c.
Cottonseed oil.....	40 c.	40 s. 0 d.	40 s. 0 d.
Sack flour.....	34 c.	35 c.	50 c.
Measurement goods.....	40 s. 0 d.	40 s. 0 d.	40 s. 0 d.

NAPLES.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	3 s. 6 d.	3 s. 0 d.	3 s. 0 d.
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cotton, compressed.....	40 c.	30 c.	50 c.
Cottonseed oil.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.
Sack flour.....	17 s. 6 d.	17 s. 6 d.	40 s. 0 d.
Measurement goods.....	25 s. 0 d.	25 s. 0 d.	25 s. 0 d.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	4 s. 6 d.	5 s. 9 d.	6 s. 9 d.
Provisions.....	40 s. 0 d.	40 s. 0 d.	50 s. 0 d.
Cotton, compressed.....	65 c.	80 c.	100 c.
Cottonseed oil.....	40 s. 0 d.	40 s. 0 d.	40 s. 0 d.
Sack flour.....	34 c.	35 c.	50 c.
Measurement goods.....	40 s. 0 d.	40 s. 0 d.	40 s. 0 d.

COPENHAGEN.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	1 s. 10½ d.	2 s. 1½ d.	4 s. 6 d.
Provisions.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Cotton, compressed.....	40 c.	40 c.	40 c.
Cottonseed oil.....	31 s. 3 d.	31 s. 3 d.	31 s. 3 d.
Sack flour.....	18 c.	20 c.	32 c.
Measurement goods.....	21 s. 3 d.	21 s. 3 d.	21 s. 3 d.

	Oct. 1.	Nov. 1.	Dec. 1.
Grain.....	15 s. 0 d.	16 s. 0 d.	16 s. 0 d.
Provisions.....	46 s. 3 d.	46 s. 3 d.	46 s. 3 d.
Cottonseed oil.....	46 s. 3 d.	46 s. 3 d.	46 s. 3 d.
Sack flour.....	32 c.	35 c.	55 c.
Measurement goods.....	46 s. 3 d.	46 s. 3 d.	46 s. 3 d.

¹ Nominal.

ROTTERDAM.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	5½ d.	6 d.	.....
Provisions.....	28 c.	28 c.	28 c.
Cotton, compressed.....	35 c.	25 c.	25 c.
Cottonseed oil.....	28 c.	28 c.	28 c.
Sack flour.....	13 c.	11 c.	20 c.
Measurement goods.....	10 c.	10 c.	10 c.

Oct. 1. Nov. 1. Dec. 1.

Grain.....	11 c.	.....	.....
Provisions.....	38 c.	38 c.	38 c.
Cotton, compressed.....	.....	.....	100 c.
Cottonseed oil.....	35 c.	35 c.	35 c.
Sack flour.....	25 c.	27 c.	32 c.
Measurement goods.....	15 c.	15 c.	15 c.

MARSEILLE.

	Jan. 1.	Aug. 1.	Sept. 1.
Grain.....	3 s. 0 d.	3 s. 1½ d.	.....
Provisions.....	30 s. 0 d.	30 s. 0 d.	30 s. 0 d.
Cottonseed oil.....	30 s. 0 d.	25 s. 0 d.	25 s. 0 d.
Sack flour.....	20 c.	18 c.	30 c.
Measurement goods.....	20 s. 0 d.	20 s. 0 d.	20 s. 0 d.

Oct. 1. Nov. 1. Dec. 1.

Grain.....	3 s. 3 d.	5 s. 6 d.	6 s. 6 d.
Provisions.....	35 s. 0 d.	35 s. 0 d.	40 s. 0 d.
Cottonseed oil.....	35 s. 0 d.	35 s. 0 d.	35 s. 0 d.
Sack flour.....	35 c.	37½ c.	45 c.
Measurement goods.....	35 s. 0 d.	35 s. 0 d.	35 s. 0 d.

SOUTH AMERICAN TRADE POOR.

The South American lines had a poor year throughout. Depression in Brazil, combined with poor crops in the Argentine, caused a heavy falling off in trade. Steamship lines maintained their regular sailings, however, but were often forced to fill cargo holds up with coal.

With the advent of the war the demand for coal from South America created quite a little activity among the regular lines. The big railroads and power companies that had contracts for Welsh coal placed orders with the Virginian producers, and steamers that formerly took coal as cargo simply to fill up now found fuel competing with general cargo for freight space. This condition did not last long, however, and toward the end of the year South American conditions again fell back to the inactivity that prevailed earlier in the year.

A FAIR YEAR FOR FAR EASTERN LINES.

Steamship lines operating to Australia, India, China, and Japan had fairly good business during the year just ended. The Australian market was especially brisk. China and Japan were good purchasers and the amount of freight forwarded compared favorably with that of 1913. Toward the latter part of the year the long-distance lines were placed at a disadvantage owing to the high cost of chartering steamers. Where tonnage could be secured at 4 shillings per ton per month on a dead-weight basis before the war the rate early in December was 12 shillings. Few vessel owners were inclined to place their steamers in the long-distance trades, even at the rate of 12 shillings, preferring to keep their vessels in the trans-Atlantic trades.

During the last week of December the long-distance steamship lines were seriously considering advancing freight rates in order to meet operating costs, and it is expected that some official action in the direction of increasing freight rates will be taken early in the new year.

EXHIBIT 79.

[Wall Street Journal, January 1, 1915.]

OCEAN FREIGHT RATES ARE SOARING STEADILY HIGHER—ALMOST UNPRECEDENTED SHORTAGE OF TONNAGE FOR PROMPT JANUARY AND FEBRUARY DELIVERY—BULK OF DEMAND FOR SHIPPERS OF COTTON, GRAIN, AND GENERAL CARGO FOR TRANSATLANTIC ACCOUNT—SEEKERS FOR SPACE COMPELLED TO GO INTO THE SAILING-VESSEL MARKET, WHERE SUITABLE TONNAGE IS SCARCE.

The almost unprecedented shortage of tonnage for prompt January and early February delivery has pushed rates to a level seldom reached in the history of steam navigation. At the same time it has placed a heavy check on chartering; in fact, so heavy has been this check in the past week or 10 days that chartering was actually at a standstill several times.

On the other hand, demand for tonnage continues unabated. If anything, the volume of current inquiry for prompt and early forward loading ships is larger than at any stage of the present rise of rates in the freight and charter markets.

The bulk of this demand is for trans-Atlantic account. This, in turn, is made up of grain, cotton, and general cargo, principally. Such cargo vessels as have arrived from England in ballast, to carry foodstuffs and miscellaneous to Great Britain and Continental Europe, have not helped the situation on the western side of the Atlantic very much.

Spot freight rates at the close of the calendar year ranged from 40 to 100 per cent and, in several instances, to 200 per cent higher than they did just prior to declaration of war in Europe. Rates quoted with the concluding activities of the last day of the year compare as follows:

LIVERPOOL.

	Week ending—				
	Dec. 31.	Sept. 3.	July 30.	July 2.	June 3.
Grain, bushel.....	8½ d.	.....	2½ d.	2½ d.	1½ d.
Flour, sacks.....	35 c.	20 c.	12 c.	12 c.	10 c.
Provisions, ton.....	35 s.	30 s.	20 s.	20 s.	20 s.
Cotton, hundredweight.....	75 c.	25 c.	25 c.	20 c.	20 c.
Dimension goods.....	30 s.	.....	12 s. 6 d.	12 s. 6 d.	12 s. 6 d.

LONDON.

Grain.....	9 d.	4 d.	2½ d.	1½ d.	1½ d.
Flour.....	35 c.	21 c.	13 c.	11 c.	11 c.
Provisions.....	35 s.	30 s.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Dimension goods.....	30 s.	.....	11 s. 3 d.	11 s. 3 d.	11 s. 3 d.

GLASGOW.

Grain.....	.....	.....	2 d.	22 d.	1½ d.
Flour.....	30 c.	23 c.	15 c.	15 c.	14 c.
Provisions.....	37 s. 6 d.	32 s. 6 d.	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Dimension goods.....	35 s.	20 s.	15 s.	15 s.	15 s.

ROTTERDAM.

Grain.....	30 c.	.....	6 c.	3½ d.	3½ d.
Flour.....	55 c.	21 c.	11 c.	11 c.	11 c.
Provisions.....	75 c.	38 c.	25 c.	25 c.	25 c.
Cotton.....	200 c.	.....	25 c.	20 c.	20 c.
Dimension goods.....	20 c.	15 c.	10 c.	10 c.	10 c.

ANTWERP.

Grain.....	.....	.....	3 d.	1½ d.	2 d.
Flour.....	18 c.	.....	18 c.	18 c.	19 c.
Provisions.....	25 s.	.....	22 s. 6 d.	22 s. 6 d.	22 s. 6 d.
Cotton.....	20 c.	.....	25 c.	20 c.	20 c.
Dimension goods.....	15 s.	.....	17 s. 6 d.	17 s. 6 d.	17 s. 6 d.

HAVRE.

Grain.....	40 c.	3 s. 6 d.	2 s. 6 d.	2 s. 4½ d.	2 s. 1½ d.
Flour.....	40 c.	22½ c. 5%	30 c. 5%	30 c.	30 c.
Provisions.....	40 c.	40 c.	30 c. 5%	30 c.	30 c.
Cotton.....	100 c.	45 c.	35 c.	25 c.	21 c.
Dimension goods.....	\$10	\$5, 5%	\$5, 5%	\$5, 5%	\$5, 5%

¹ Per 40 cubic feet.

² Per cubic foot.

In some instances holders of cargoes have been compelled to go into the sailing-vessel market to obtain space for their commodities. Charter rates in that market have risen accordingly. Chartering itself will be restricted there, however, by the scarcity of tonnage of a serviceable nature for trans-Atlantic carriage.

Among those who have been compelled to go into the sailing-vessel market are shippers of timber. These interests are absolutely unable to obtain steamers at rates which they are reported to pay, and charters are reported from the Gulf to West Britain at rates varying from 120s. to 140s. for January-February-March loading.

Freight rates to South America, as a whole, continue at about 25 per cent over the regular tariff on the east coast, while to the west coast rates remain unchanged. To Central America shipping men are quoting rates that are practically normal, excepting on a few commodities, on which the rates are a little higher, but not as a result of the war. To Australian points current rates range about 25 per cent over regular tariffs in consequence of a heavy movement of cargo.

West Indies business continues inactive, with no material changes. Coal charterers continue to have difficulty in obtaining tonnage on a rate basis and are offering 40s. to Alexandria or Spezzia for early January loading. There is a growing demand for tonnage to ports of Australia and also for the Far East.

FINDINGS OF THE COURT OF CLAIMS.

The VICE PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact and conclusions filed by the court in the following causes:

- Shadrack T. Harris v. The United States (S. Doc. No. 738);
- Louisa Boles, daughter of Charles Heinz, deceased, v. The United States (S. Doc. No. 737);
- Joseph B. Harris v. The United States (S. Doc. No. 736);
- Milton W. Henderson v. The United States (S. Doc. No. 735);
- William A. Duckworth v. The United States (S. Doc. No. 734);
- Michael McNulty v. The United States (S. Doc. No. 733);
- Edwin D. Haynes v. The United States (S. Doc. No. 732);
- Robert B. Henchan v. The United States (S. Doc. No. 731);
- Peter K. Hessong v. The United States (S. Doc. No. 730);
- Elmer Morningstar, executor of Henry Morningstar, deceased, v. The United States (S. Doc. No. 729);
- Isabella D. Fraley, widow of Henry Fraley, deceased, v. The United States (S. Doc. No. 728);
- Vienna B. French, widow of George W. French, deceased, v. The United States (S. Doc. No. 727);

Edward Garland *v. The United States* (S. Doc. No. 726);
 Charles L. Gallaher *v. The United States* (S. Doc. No. 725);
 Ambrose J. Herron, brother of James A. Herron, deceased, *v. The United States* (S. Doc. No. 724);
 Charles W. Haskins, son and one of the heirs of Philo J. Haskins, deceased, *v. The United States* (S. Doc. No. 723);
 Frances L. Hanna, widow of James J. Hanna, *v. The United States* (S. Doc. No. 722);
 James M., Felix A., and Ida C. Blankenbaker, children, and Edwina J. Blankenbaker, granddaughter, sole heirs of Newton J. Blankenbaker, deceased, *v. The United States* (S. Doc. No. 721);
 James R. Brunner *v. The United States* (S. Doc. No. 720);
 Hannibal A. Johnson *v. The United States* (S. Doc. No. 719);
 Laban A. Howard *v. The United States* (S. Doc. No. 755);
 Eliza J. Houston, widow of John Houston, *v. The United States* (S. Doc. No. 754);
 Joseph W. Cope *v. The United States* (S. Doc. No. 753);
 Eleanor R. Mintie, widow of Fergus L. Mintie, *v. The United States* (S. Doc. No. 752);
 Mary C. Huston, widow of Cunningham Huston, *v. The United States* (S. Doc. No. 751);
 John Cross *v. The United States* (S. Doc. No. 750);
 John Deitrick *v. The United States* (S. Doc. No. 749);
 Margaret Gustin, widow of John B. Gustin, *v. The United States* (S. Doc. No. 748);
 George E. Finney *v. The United States* (S. Doc. No. 747);
 Cornelius D. Croley *v. The United States* (S. Doc. No. 746);
 Mary A. Diller, widow of Alexander W. Diller, *v. The United States* (S. Doc. No. 745);
 David Kilgore *v. The United States* (S. Doc. No. 744);
 Thomas B. East *v. The United States* (S. Doc. No. 743);
 Benjamin F. Howell *v. The United States* (S. Doc. No. 742);
 James W. Falls *v. The United States* (S. Doc. No. 741);
 John M. Mitchell *v. The United States* (S. Doc. No. 740);
 Zilpha J. Mills, widow of William H. Mills, *v. The United States* (S. Doc. No. 739);
 Alberta Duncan, widow of Titus Duncan, deceased, *v. The United States* (S. Doc. No. 777);
 Abijah Ford *v. The United States* (S. Doc. No. 776);
 Hardin Montgomery, son of Samuel Montgomery, deceased, *v. The United States* (S. Doc. No. 775);
 Joseph W. McClellan *v. The United States* (S. Doc. No. 774);
 Sidney C. Gordon *v. The United States* (S. Doc. No. 773);
 John Getchey *v. The United States* (S. Doc. No. 772);
 Sarah F. Harper, widow of William Harper, *v. The United States* (S. Doc. No. 771);
 Leroy S. Groves *v. The United States* (S. Doc. No. 770);
 Oliver E. Hawn, Bettie H. Steuart, Ada C. Overbacker, Elma C. Pritchard, and Mida C. Hawn, children of Emanuel R. Hawn, deceased, *v. The United States* (S. Doc. No. 769);
 John W. Watts *v. The United States* (S. Doc. No. 768);
 Hamden Heatherington *v. The United States* (S. Doc. No. 767);
 W. S. Grubbs, Elizabeth G. Olcott, Charles S. Grubbs, and Mary G. Fruit, children and sole heirs of William M. Grubbs, deceased, *v. The United States* (S. Doc. No. 766);
 Susan V. Marsh, executrix of the last will and testament of James Marsh, deceased, *v. The United States* (S. Doc. No. 765);
 William Keith *v. The United States* (S. Doc. No. 764);
 Eudora A. Huffman, widow of John W. Huffman, *v. The United States* (S. Doc. No. 763);
 Ruth R. Robbins, daughter and sole heir of David T. Reed, *v. The United States* (S. Doc. No. 762);
 James Fields *v. The United States* (S. Doc. No. 761);
 Lewis M. Jarvis *v. The United States* (S. Doc. No. 760);
 Byron B. Comparet, son and one of the heirs of Theodore S. Comparet, deceased, *v. The United States* (S. Doc. No. 759);
 William W. Pate *v. The United States* (S. Doc. No. 758);
 William J. Conley *v. The United States* (S. Doc. No. 757);
 John T. Donahugh *v. The United States* (S. Doc. No. 756);
 William Dixon *v. The United States* (S. Doc. No. 795);
 Landon Seward Exum, brother of James T. Exum, deceased, *v. The United States* (S. Doc. No. 794);
 Chauncy G. Butterfield and Lucy A. Butterfield, children of Francis W. Butterfield, deceased, *v. The United States* (S. Doc. No. 793);
 Samuel R. Nissley *v. The United States* (S. Doc. No. 792);
 Adoniram A. Keys *v. The United States* (S. Doc. No. 791);
 Clara L. Brewster, widow of Robert E. Brewster, deceased, *v. The United States* (S. Doc. No. 790);
 John A. Bull *v. The United States* (S. Doc. No. 789);
 Gavin E. Caukin *v. The United States* (S. Doc. No. 788);
 Jacob L. Cotey *v. The United States* (S. Doc. No. 787);

Thomas T. Crittenden *v. The United States* (S. Doc. No. 786);
 Arthur M. Knapp, administrator of John Cover, *v. The United States* (S. Doc. No. 785);
 Annie F. Martin and Mary F. Humm, daughters and two of the heirs of Henry Fissel, deceased, *v. The United States* (S. Doc. No. 784);
 Quincy A. Harper *v. The United States* (S. Doc. No. 783);
 Adah H. Love, niece of James M. McClelland, *v. The United States* (S. Doc. No. 782);
 Alice E. Gunn, widow of William A. Gunn, *v. The United States* (S. Doc. No. 781);
 Charles Hammond *v. The United States* (S. Doc. No. 780);
 Mary T. Gunther, widow of Arthur Gunther, *v. The United States* (S. Doc. No. 779); and
 Henrietta H. Hyatt, widow (remarried) of Edward J. Hazel, *v. The United States* (S. Doc. No. 778).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented resolutions of the municipal council of the provincial government of Talisay, and the municipal council, provisional government of Kabancalan, Occidental Negros, P. I., praying for the passage of the so-called Jones bill, for the self-government of the Philippine people, which were referred to the Committee on the Philippines.

He also presented a petition of the general secretary of the Federal Council of the Churches of Christ in America, of New York City, N. Y., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a memorial of the National Board of Steam Navigation, of New York, remonstrating against Government ownership and operation of merchant vessels in the foreign trade of the United States, which was ordered to lie on the table.

He also presented a memorial of the board of aldermen of New York City, remonstrating against the passage of the so-called immigration bill, which was ordered to lie on the table.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Oregon, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Oregon, praying for the creation of a rural credit system, which were referred to the Committee on Banking and Currency.

Mr. HITCHCOCK presented petitions of sundry citizens of Seward, St. Louis, Lincoln, Harbine, Hickory Grove, Wynot, and Battle Creek, all in the State of Nebraska, and a petition of sundry citizens of Chicago, Ill., praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented memorials of sundry citizens of West Point and Monterey, in the State of Nebraska, remonstrating against the circulation of anti-Catholic publications through the mail, which were referred to the Committee on Post Offices and Post Roads.

Mr. THOMPSON presented petitions of sundry citizens of Hays, Kirwin, Hillsboro, and Redfield, all in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Ellis, Gaylord, and Logan, all in the State of Kansas, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

Mr. GALLINGER presented the petition of W. F. Peel, of Nashua, N. H., praying for the enactment of legislation to provide for the uniform grading of grain, which was referred to the Committee on Agriculture and Forestry.

Mr. McCUMBER. I present resolutions adopted at a meeting of citizens of Enderlin, in the State of North Dakota, favoring the enactment of legislation prohibiting the sale of munitions and arms to belligerents. The resolutions are very short and terse and present the whole subject. I ask that they may be printed in the RECORD and properly referred.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions passed at a meeting of citizens of the United States held at Enderlin, N. Dak., January 17, 1915.

Whereas 10 nations of the Old World are now waging the greatest war of mankind and are not only exhausting their own resources, but are also drawing immense supplies and munitions of war from the United States of America; and

Whereas the armament and supplies that are being furnished by the United States tend to increase the military conflagration of Europe, multiply the loss of life, already appalling, and cause the destruction of property that is bringing nations to desolation and assist in the prolongation and continuance of this most dreadful of all wars; and Whereas we as a people from our hearts lift our voices in prayer for peace, while as a Nation we are aiding in war and augmenting the struggle by emptying our private arsenals and war supplies onto the battle fields of Europe; and

Whereas our Government has proclaimed strict neutrality and thereby given assurance to American citizens of all races and to the belligerent powers themselves that we shall give aid and support to none, and by our acts as a Nation break no bonds of friendship with the countries with whom we are at peace and create no discord among our citizens here by discriminating against their fatherland; yet when we offer military supplies and equipments to any nations that choose to buy it is with the full knowledge that for 100 years England by her supremacy on the seas is the master of all contraband goods transported by water, and that she and her friends alone can benefit by our unholy commerce, and we are pursuing that course which diverges so far from strict neutrality that we injure our ancient friends—Germany and Austria—by every means in our power excepting the employment of armed force alone; and

Whereas this country has recognized the right of our Government to withhold war supplies from contending armies when she laid an embargo upon munitions of war when the feeble armies of Mexico were arrayed against each other, nevertheless she now offers her limitless supplies to the mightiest armies that were ever assembled in battle array; and

Whereas the United States is disloyal to itself when it promotes a foreign war by furnishing the sinews of war while the Nation is prostrate commercially and waiting for the dawn of peace to return to her former prosperity and achievements: Therefore be it

Resolved, That we, American citizens residing in Enderlin, N. Dak., in delegate meeting assembled, hereby declare that it is the imperative duty of the Congress of the United States to pass the necessary law forthwith that will enable the President of the United States to lay an embargo upon all contraband of war, saving and excepting food-stuffs alone, and thereby withdraw from the contending powers all aid and assistance of this Republic: And be it further

Resolved, That we are in strict sympathy with the Christian endeavor of this Nation to appeal to the God of Nations that peace may come and reject as hypocrisy and national sacrilege the commercial spirit of the country that is answering our supplications for peace by sending the instruments of destruction and death to the serried armies in struggle through the Empires of Europe: And be it further

Resolved, That we, citizens of the United States, who have contributed our full share to American peace, American Christianity, and American civilization, call upon all Americans to join with us in enforcing that strict American neutrality that will give aid and comfort to none of the contending powers, and that will withhold American resources from promoting destruction and slaughter among the friendly nations of Europe: And be it further

Resolved, That copies of these resolutions be sent to our Representatives in Congress in the House of Representatives and Senate, to the President, the Vice President, and the Secretary of State of the United States at Washington, D. C.

Fred Zittelmann, Albert Zittelmann, Robert Zunnock, Johan F. Henkel, August Gettl, O. A. Culbertson, John Jacobs, Carl Lindemann, H. E. Pool, C. G. Doullins, W. Yossberg, C. Mueller, John Genz, Robert Lindemann, Carl Shumacker, Bernhard L. Biven, John T. Reiz, Emil Seelig, Lewis Altman, Philip Naker, F. F. Kuntz, Albert Nachtigall, Robert R. Froemke, Ernest Hanelt, Willie Nachtigall, Dan. Froemke, Edward Froemke, Albert Schumacher, Lewis A. Froemke, Fred. Chenzy, Gerald Buss, Fred. Kelm, Carl Krueger, E. Hofmann, William Lindemann.

Mr. BRISTOW presented a memorial of sundry citizens of Coffeyville, Kans., remonstrating against any change being made in the compensatory time law for postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Mound Valley, Kans., remonstrating against the exclusion of anti-Catholic publications from the mail, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Kansas City and Quindaro, in the State of Kansas, praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. WORKS. I send to the desk a number of petitions, numerous signed by citizens of California, favoring legislation prohibiting the exportation of arms and munitions of war to belligerent nations. I ask that one of these petitions, which is very short, the one signed by Jacob Price, be printed in the RECORD, that the others be printed in the RECORD without the signatures, and that the total number of the signers of these various petitions be stated in the RECORD.

Mr. STONE. Where we are sitting it is impossible to hear what is going on at that distance. I should like to have the request of the Senator from California stated in a tone sufficiently audible to reach all Senators.

Mr. WORKS. The petitions I have presented favor legislation prohibiting the exportation of arms and munitions of war to belligerent nations.

There being no objection, the petitions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Hon. JOHN D. WORKS,

United States Senate, Washington, D. C.

In order to confirm by deeds the avowed peace-loving intentions of the great American Nation, a bill prohibiting the sale to belligerents of all war material has been introduced in Congress. Recognizing the fact that the refusal of the United States of America to permit the export to belligerents of munitions and all implements of war will facilitate the termination of warfare, we, the undersigned citizens of San Diego, Cal., give our hearty approval to this movement and urge our representatives in Congress to support the passage of House resolution 377 and Senate bill 6688.

JACOB PRICE AND OTHERS.

To Senator JOHN D. WORKS,
Washington, D. C.

HONORABLE SIR: The undersigned American citizens respectfully ask you to vote for and lend your active support to Senate bill 6688 or 6862, or any similar measure, prohibiting the export of arms, ammunition, and munitions of war from the territory or any seaport of the United States, so that it may pass the Senate at this session of Congress.

Signed by 1,325 citizens of the State of California.

To Senator JOHN D. WORKS,
Washington, D. C.

HONORABLE SIR: The undersigned American citizens respectfully ask you to vote for and lend your active support to Senate bill 6688 or 6862, or any similar measure, prohibiting the export of arms, ammunition, and munitions of war from the territory or any seaport of the United States, so that it may pass the Senate at this session of Congress.

Signed by 1,980 citizens of the State of California.

To Senator JOHN D. WORKS,
Washington, D. C.

HONORABLE SIR: The undersigned American citizens respectfully ask you to vote for and lend your active support to Senate bill 6688 or 6862, or any similar measure, prohibiting the export of arms, ammunition, and munitions of war from the territory or any seaport of the United States, so that it may pass the Senate at this session of Congress.

Signed by 1,320 citizens of the State of California.

Mr. NELSON presented petitions of sundry citizens of Minnesota, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Minnesota, remonstrating against the exclusion of anti-Catholic publications from the mail, which was referred to the Committee on Post Offices and Post Roads.

Mr. POINDEXTER presented a petition of the Skagit County Pomona Grange, Patrons of Husbandry, of Anacortes, Wash., praying for the enactment of legislation to provide Government ownership of telephone and telegraph lines, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the International Alliance of Theatrical Stage Employees; of Local Union, No. 1214, United Brotherhood of Carpenters and Joiners of America; and of Local Union, No. 278, I. U. of U. B. W., all of Walla Walla, in the State of Washington, praying for the enactment of legislation to regulate the interstate commerce in convict-made goods, which were ordered to lie on the table.

Mr. SHEPPARD presented a petition of the Chamber of Commerce, of El Paso, Tex., praying for the creation of a National Security Commission, which was referred to the Committee on Military Affairs.

Mr. MYERS presented petitions of sundry citizens of Great Falls, Mont., praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

Mr. ROBINSON presented a petition of sundry citizens of Hicks, Ark., praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Batesville, Ark., praying that an appropriation be made for the construction of seven locks and dams on Upper White River, Ark., which was referred to the Committee on Commerce.

Mr. KERN presented petitions of sundry citizens of Hammond, Decatur, Huntington, and Indianapolis, all in the State of Indiana, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Anderson, Ind., remonstrating against the circulation of anti-Catholic publications through the mail, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of the Chamber of Commerce, of Kokomo, Ind., remonstrating against the enactment of legislation to increase the armament, which was referred to the Committee on Military Affairs.

He also presented petitions of sundry citizens of Elkhart, Ind., praying for the enactment of legislation to provide Federal censorship of motion-picture films, which were referred to the Committee on Education and Labor.

He also presented a petition of the United Mine Workers of Princeton, Ind., praying for the enactment of legislation for the extension of the Bureau of Mines, which was referred to the Committee on Mines and Mining.

Mr. BRANDEGEE presented petitions of sundry citizens of Danbury, Taftville, Norwich, Meriden, Baltic, Lisbon, Norwalk, and Middletown, all in the State of Connecticut, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. SHIVELY, from the Committee on Pensions, submitted a report (No. 921), accompanied by a bill (S. 7402) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, the bill being a substitute for the following pension bills heretofore referred to that committee:

S. 354. Edwin B. Wright.
 S. 940. Mary W. Gross.
 S. 1019. Delia E. Godfrey.
 S. 1265. Thomas Buckley.
 S. 1782. Samuel G. H. Whitley.
 S. 2000. Joseph Johnson.
 S. 2037. Marcus W. Bates.
 S. 2267. Otto Kuehn.
 S. 2363. Sarah H. Aldis.
 S. 2869. Sarah E. Arnold.
 S. 3186. Laura F. Lawton.
 S. 3498. Daniel Hilliard.
 S. 3750. Lovina J. Reeves.
 S. 4013. Charles F. White.
 S. 4050. Rose V. Stoops.
 S. 4427. Julia F. Brewerton.
 S. 4480. Mary Carpenter.
 S. 4615. Isaac Nebbenburgh.
 S. 4790. James Forsyth Harrison.
 S. 5132. Benjamin Clark.
 S. 5400. Jane E. Myers.
 S. 5457. Vesta V. Holden.
 S. 5514. Loucette E. Glavis.
 S. 5518. John F. Miller.
 S. 5590. Mary Healy.
 S. 5599. Clara G. Branch.
 S. 5672. Harriet M. Marks.
 S. 5694. George M. Getts.
 S. 5746. Horace Page.
 S. 5777. Jessie A. Maxson.
 S. 5781. Elizabeth C. Service.
 S. 5782. James Tucker.
 S. 5783. Ellen Twomey.
 S. 5784. Julia F. Whipple.
 S. 5785. Emily J. Williams.
 S. 5856. John W. Sullivan.
 S. 5879. Paul Phillips, alias Duncan Dunbar.
 S. 5898. Susan J. Flye.
 S. 6003. William Henry Soule.
 S. 6035. Mary L. De Mars.
 S. 6088. Margaretta B. Benjamin.
 S. 6104. Frances A. Rogers.
 S. 6196. Cynthia Buel.
 S. 6197. Cornelia S. Hitchcock.
 S. 6209. James M. Watkins.
 S. 6220. George M. Taylor.
 S. 6221. Buri Caton.
 S. 6226. William Hanoach.
 S. 6243. Nelson E. Haskell.
 S. 6307. George W. Boal.
 S. 6377. Eli Reese.
 S. 6378. John H. Tyson.
 S. 6386. William T. Davidson.
 S. 6390. John B. Doolittle.
 S. 6407. Henry G. Dearmond.
 S. 6408. Thomas Johnson.
 S. 6410. Elizabeth Reed.
 S. 6469. Katie M. Penfield.
 S. 6508. Robert J. Martin.
 S. 6517. Daniel W. Smith.
 S. 6518. Charlotte A. Crowell.
 S. 6527. Joseph P. Kridelbaugh.

S. 6531. Charles H. Lewis.
 S. 6533. Frederick Hutton.
 S. 6557. Sarah J. Crackel.
 S. 6562. Jennie Jones.
 S. 6591. Charlotte S. Manley.
 S. 6605. George W. Read.
 S. 6617. John H. Beatty.
 S. 6626. William Braginton.
 S. 6629. John G. Avery.
 S. 6682. Susie E. Harris.
 S. 6702. Walter Morrell.
 S. 6703. James W. Jacobs.
 S. 6704. John W. Rankin.
 S. 6729. George Krone.
 S. 6786. Jeremiah Adams.
 S. 6806. George W. Cartwright.
 S. 6811. Samuel Shaffer.
 S. 6815. Warren J. Hazell.
 S. 6819. Frank B. Gillespie.
 S. 6838. William Bays.
 S. 6842. Nancy J. Nicholson.
 S. 6846. Samuel Roberts.
 S. 6851. Charles S. Morse.
 S. 6869. Sanford A. Herendeen.
 S. 6877. William H. Brown.
 S. 6911. Henry A. Smith.
 S. 6929. George O. Miller.
 S. 6933. Peter P. Chacey.
 S. 6938. Eloise Warner.
 S. 6954. George W. Case.
 S. 6958. Emma Perkins.
 S. 6960. John C. Simpson.
 S. 6969. Aquilla M. Hizar.
 S. 6976. Luther M. Blackman.
 S. 6990. John J. Calkins.
 S. 6992. Jennie O. Collins.
 S. 6993. James L. Van Allen.
 S. 6997. Clarence C. Trittle.
 S. 6998. William Dickerson.
 S. 7005. Joana Boone.
 S. 7006. Fletcher N. Wilson.
 S. 7017. Beulah C. Hicks.
 S. 7033. A. Paul Horne.
 S. 7034. Ellen C. Gardner.
 S. 7036. Annie R. Jewett.
 S. 7037. Ann Jolly.
 S. 7061. Allen P. Gibson.
 S. 7075. Rachel W. Carney.
 S. 7076. Allie McGloughlin.
 S. 7077. William A. Reames.
 S. 7079. Delilah Lobenthal.
 S. 7087. James Hammond.
 S. 7089. Henry Walker.
 S. 7092. Prudie M. Reynolds.
 S. 7117. Fernando W. Moon.
 S. 7127. Joseph Ludiker.
 S. 7128. Jerome B. Wright.
 S. 7134. Robert Conn.
 S. 7137. George L. Neal.
 S. 7138. Fernando Miller.
 S. 7160. Anna E. Babbitt.
 S. 7162. George W. Shoop.
 S. 7182. Clifton Whittum.
 S. 7191. George R. Davis.
 S. 7219. Ai Clark.
 S. 7223. Charles F. Smith.
 S. 7232. Louisa E. Catterson.
 S. 7298. Arvilla B. Hammond.

Mr. SHIVELY, from the Committee on Pensions, to which was referred the bill (H. R. 20562) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported it with amendments and submitted a report (No. 932) thereon.

Mr. SMOOT, from the Committee on Public Lands, to which was referred the bill (S. 4422) for the relief of John L. Sevy, reported it with amendments and submitted a report (No. 935) thereon.

Mr. STERLING, from the Committee on Public Lands, to which was referred the bill (H. R. 11318) authorizing the sale of lands in Lyman County, S. Dak., reported it without amendment and submitted a report (No. 936) thereon.

Mr. SHIELDS, from the Committee on the Judiciary, to which was referred the bill (S. 6854) to incorporate the Boy Scouts of

America, and for other purposes, reported it with amendments and submitted a report (No. 937) thereon.

Mr. MYERS, from the Committee on Public Lands, to which was referred the bill (H. R. 16738) to provide for the payment of certain moneys to school districts in Oklahoma, reported it with amendments and submitted a report (No. 938) thereon.

Mr. LANE, from the Committee on Indian Affairs, to which was referred the bill (S. 6671) confirming patents heretofore issued to certain Indians in the State of Washington, reported it without amendment and submitted a report (No. 939) thereon.

Mr. JAMES, from the Committee on Patents, to which was referred the bill (H. R. 18031) amending sections 476, 477, and 440 of the Revised Statutes of the United States, reported it without amendment and submitted a report (No. 940) thereon.

Mr. FLETCHER. I am directed by the Committee on Military Affairs, to which was referred the bill (S. 2854) granting an honorable discharge to William C. Chandler, to report it adversely, and I ask unanimous consent that the bill be postponed indefinitely.

The VICE PRESIDENT. The bill will be postponed indefinitely.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3892. A bill for the relief of Charles G. Griffo (Rept. No. 930);

S. 5104. A bill to authorize the Secretary of War to furnish certain transportation to the Oregon Agricultural College cadet corps by a United States Army transport (Rept. No. 928);

S. 6217. A bill to increase the efficiency of the Organized Militia, and for other purposes (Rept. No. 924);

S. 7066. A bill for the relief of Amos Dahuff (Rept. No. 931); H. R. 17765. An act to regulate details of majors in the Ordnance Department (Rept. No. 923); and

H. R. 13123. An act for the relief of Charles H. Rayfield, alias Charles H. Czarnowsky (Rept. No. 927).

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 6966. A bill to authorize the maintenance of organizations of the mobile army at their maximum strength and to provide an increase of 1,000 officers (Rept. No. 926); and

H. R. 16510. An act to provide for recognizing the services of certain officers of the Army and Navy, late members of the Isthmian Canal Commission, to extend to them the thanks of Congress, to authorize their promotion, and for other purposes (Rept. No. 929).

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which was referred the bill (S. 7046) providing for the purchase of lands for an aviation school, reported it with an amendment and submitted a report (No. 925) thereon.

Mr. CHAMBERLAIN, from the Committee on Commerce, to which was referred the bill (S. 7261) to amend sections 4421, 4422, 4423, 4424, and 4498 of the Revised Statutes of the United States, and section 12 of the act of May 23, 1908, relating to certificates of inspection of steam vessels reported it without amendment and submitted a report (No. 922) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 6510) to authorize the appointment of Duncan Grant Richart to the grade of second lieutenant in the Army, reported it with amendments and submitted a report (No. 934) thereon.

OHIO RIVER BRIDGE.

Mr. SHEPPARD. From the Committee on Commerce I report back favorably without amendment the bill (S. 7266) to authorize the Brunot Island Bridge Co. to construct, maintain, and operate a bridge across the back channel of the Ohio River, and I submit a report (No. 933) thereon. I call the attention of the junior Senator from Pennsylvania [Mr. OLIVER] to the report.

Mr. OLIVER. This is a bridge bill of great urgency. It will lead to no controversy at all, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. If the Senator will ask unanimous consent that the reading be dispensed with—

Mr. ROBINSON. I object, Mr. President.

The VICE PRESIDENT. Objection is made. The bill will be placed on the calendar.

THE NATIONAL ARCHIVES (S. DOC. NO. 717).

Mr. FLETCHER. On December 21, 1914, the Senator from Washington [Mr. POINDEXTER] presented to the Senate a pamphlet entitled "The National Archives: A Programme," by Waldo Gifford Leland, which was reprinted from the American His-

torical Review, and it was referred to the Committee on Printing. I am directed by the Committee on Printing to report a resolution for its printing.

Mr. POINDEXTER. I ask unanimous consent for the present consideration of the resolution.

The resolution (S. Res. 523) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the pamphlet submitted by Mr. POINDEXTER on December 21, 1914, entitled "The National Archives: A Programme," by Waldo Gifford Leland, be printed as a Senate document.

PAN AMERICAN CONFERENCE.

Mr. STONE. I ask that the joint resolution (S. J. Res. 228) authorizing the President of the United States to extend invitations to Central and South American Governments to be represented at a conference looking to an improvement of the financial relations between the United States and these nations, reported by me from the Committee on Foreign Relations on January 20, and which is now on the table, be taken therefrom and referred to the Committee on Appropriations.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Appropriations.

VOTES ON FEDERAL RESERVE ACT.

Mr. SHAFROTH. On October 5, 1914, the Senator from Oklahoma [Mr. OWEN] presented a statement prepared in the office of the Secretary of the Senate relative to the yeas-and-nays votes of the Senate during the consideration of the Federal reserve act approved December 23, 1913, and it was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The committee has had the matter under consideration, and I ask that that committee be discharged from the further consideration of the matter and that it be referred to the Committee on Printing for action.

The VICE PRESIDENT. Without objection, it will be so ordered.

DISTRICT EXCISE BOARD.

Mr. SHAFROTH. In behalf of the Committee to Audit and Control the Contingent Expenses of the Senate, I report favorably, with certain amendments, the Senate resolution 522, submitted by the senior Senator from New Jersey [Mr. MARTINE], and I desire to ask unanimous consent for its present consideration.

Mr. SMOOT. Let the resolution be read.

The Secretary read the resolution, as follows:

Resolved, That the special committee appointed by the President of the Senate to investigate the conduct of the excise board is hereby further authorized to investigate fully into the manner in which the excise law, so called, is being administered in the District of Columbia; and said committee is hereby authorized to send for persons and papers, to administer oaths, to compel the attendance of witnesses, to employ stenographers to report such hearings as may be had at a rate not to exceed \$1 per printed page, and to have the testimony and proceedings of such hearings printed for the use of the committee. The expense of such hearings shall be paid out of the contingent expenses of the Senate, upon vouchers to be approved by the chairman of the said special committee. The said committee is also authorized to sit during the sessions of the Senate.

Mr. TOWNSEND. Mr. President, I hope there will not be any more requests of this kind until the morning hour has been completed. We have but a few minutes remaining, and we want to get in some bills.

The VICE PRESIDENT. Is there any objection to the present consideration of the resolution?

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment of the committee was, after the words "printed page," to strike out "and to have the testimony and proceedings of such hearings printed for the use of the committee."

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POMERENE:

A bill (S. 7403) for the prevention of the manufacture, sale, or transportation of such edible alimentary pastes as macaroni, spaghetti, vermicelli, and noodles, containing any added artificial coloring matter, and for regulating traffic therein, and for other purposes; to the Committee on Public Health and National Quarantine.

A bill (S. 7404) granting the consent of Congress to the Cleveland Yacht Club Co. to construct a bridge across the west arm of Rocky River, Ohio; to the Committee on Commerce.

A bill (S. 7405) to amend section 1608-J of the act of Congress entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended by the act of

Congress approved February 23, 1905; to the Committee on the District of Columbia.

By Mr. SMITH of Maryland:

A bill (S. 7406) to enlarge, extend, remodel, and improve the United States post-office and courthouse building located at Baltimore, Md.; to the Committee on Public Buildings and Grounds.

By Mr. HARDWICK:

A bill (S. 7407) to donate certain condemned cannon to the Gordon Institute, Barnesville, Ga.; to the Committee on Military Affairs.

By Mr. GALLINGER:

A bill (S. 7408) granting an increase of pension to Edward Dudevoir (with accompanying papers); and

A bill (S. 7409) granting a pension to Katherine B. Robeson (with accompanying papers); to the Committee on Pensions.

By Mr. LODGE:

A bill (S. 7411) granting an increase of pension to James C. Baker (with accompanying papers); to the Committee on Pensions.

By Mr. BURTON:

A bill (S. 7412) to appropriate \$50,000 to erect an equestrian statue of Gen. Ulysses S. Grant at Georgetown, in the State of Ohio; to the Committee on the Library.

A bill (S. 7413) to authorize the change of name of the steamer *General Garretson* to *S. H. Robbins* (with accompanying papers); to the Committee on Commerce.

By Mr. CHAMBERLAIN:

A bill (S. 7414) to amend section 2291, Revised Statutes, relating to homestead entry, as amended; to the Committee on Public Lands.

(By request): A bill (S. 7415) authorizing the appointment of Stephen R. Beard as captain in the Quartermaster Corps of the United States Army; to the Committee on Military Affairs.

By Mr. McCUMBER:

A bill (S. 7416) for the relief of John H. Fesenmeyer, alias John Wills; to the Committee on Military Affairs;

A bill (S. 7417) granting an increase of pension to Orlinda A. Edick; and

A bill (S. 7418) granting a pension to Mayme Chilson (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 7419) granting certain lots to the city of Port Angeles, State of Washington, for municipal purposes; to the Committee on Public Lands.

By Mr. STERLING:

A bill (S. 7420) granting an increase of pension to Ziba Fry;

A bill (S. 7421) granting an increase of pension to Charles C. Moulton; and

A bill (S. 7422) granting an increase of pension to Parsons B. Mix; to the Committee on Pensions.

By Mr. GRONNA:

A bill (S. 7424) for the prevention of cruelty to animals transported in interstate commerce; to the Committee on Interstate Commerce.

By Mr. CATRON:

A bill (S. 7425) to reimburse the State of New Mexico for money advanced for the survey of public lands; to the Committee on Public Lands.

A bill (S. 7426) granting an increase of pension to Lazaro Sandoval (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 7427) prohibiting the use of the name of any Member of either House of Congress or of any officer of the Government by any person, firm, or corporation practicing before the Patent Office in advertising his business; to the Committee on Patents.

By Mr. STONE:

A bill (S. 7428) to authorize the appointment of George W. Sager as a first lieutenant on the retired list of the United States Army (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 7429) granting a pension to Mabel Turton (with accompanying papers); to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 7430) granting a pension to John A. Foster; to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 7431) for the relief of Frances A. Bliss; to the Committee on Claims.

A bill (S. 7432) granting a pension to James L. Swan (with accompanying papers);

A bill (S. 7433) granting a pension to Nellie H. Judkins (with accompanying papers); and

A bill (S. 7434) granting an increase of pension to Alva M. Titchout (with accompanying papers); to the Committee on Pensions.

By Mr. LANE:

A bill (S. 7435) authorizing issuance of land patent to Lewis Montgomery; to the Committee on Public Lands.

(By request): A bill (S. 7436) to encourage private enterprise and capital in upbuilding the merchant marine of the United States and to promote commerce between the United States and foreign nations; to the Committee on Commerce.

By Mr. OLIVER:

A bill (S. 7437) granting an increase of pension to William Dougherty (with accompanying papers); and

A bill (S. 7438) granting an increase of pension to Alonzo Cole (with accompanying papers); to the Committee on Pensions.

By Mr. OLIVER (for Mr. PENROSE) (by request):

A bill (S. 7439) to provide a commission to secure plans and designs for a memorial bridge to the memory of William Penn and to provide for the erection thereof; to the Committee on Commerce.

A bill (S. 7440) for the relief of Caleb Aber; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 7441) granting an increase of pension to George W. Vogel (with accompanying papers); and

A bill (S. 7442) granting an increase of pension to Joseph A. Fisher (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 7443) granting a pension to Laura Belle Ewing; and

A bill (S. 7444) granting a pension to Anna C. Gregory (with accompanying papers); to the Committee on Pensions.

By Mr. BRYAN:

A bill (S. 7445) granting an increase of pension to William Varnes (with accompanying papers); to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 7446) granting an increase of pension to Edwin W. Moody (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 7447) for prohibition of the liquor traffic in the District of Columbia; to the Committee on the District of Columbia.

By Mr. TOWNSEND:

A bill (S. 7448) to appoint Roy K. Carson a second lieutenant in the United States Marine Corps; to the Committee on Naval Affairs.

By Mr. WEEKS:

A bill (S. 7449) granting an increase of pension to Virginia Watson; and

A bill (S. 7450) granting an increase of pension to Marie Raum Moses; to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 7451) granting an increase of pension to Israel A. Gardner (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 7452) amending section 26 of the act of Congress approved May 29, 1908, entitled "An act to authorize the Secretary of the Interior to issue patents in fee to purchasers of Indian lands under any law now existing or hereafter enacted, and for other purposes;" to the Committee on Indian Affairs.

By Mr. LA FOLLETTE:

A bill (S. 7453) granting an increase of pension to Alice S. C. McNaught; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 7454) granting an increase of pension to Lawrence Seaman (with accompanying papers); and

A bill (S. 7455) granting a pension to Mary Walls (with accompanying papers); to the Committee on Pensions.

A bill (S. 7456) regulating the use of the mails relative to loans, etc.; and

A bill (S. 7457) regulating use of Postal Service by mail from foreign countries pertaining to loans, etc.; to the Committee on Post Offices and Post Roads.

By Mr. LIPPITT:

A bill (S. 7458) granting an increase of pension to Mary L. Lowe; to the Committee on Pensions.

FOUNDATION FOR PROMOTION OF INDUSTRIAL PEACE.

Mr. LODGE. I introduce a bill to dissolve the Foundation for the Promotion of Industrial Peace, and for other purposes, and ask that it be referred to the Committee on Education and Labor.

The bill (S. 7410) to dissolve the Foundation for the Promotion of Industrial Peace, and for other purposes, was read twice by its title and referred to the Committee on Education and Labor.

Mr. LODGE. I ask that the accompanying letter from the Solicitor for the Department of Commerce may be printed in the RECORD and referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, it will be so ordered.

The communication was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SOLICITOR,
Washington, January 19, 1915.

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: At the request of Secretary Redfield I herewith inclose you draft of an act, "To dissolve the Foundation for the Promotion of Industrial Peace, and for other purposes," with the request that you introduce it in the Senate, you having introduced the original bill there creating the foundation. The preamble to the proposed bill was inserted in order to conform to the style of the act establishing the foundation, and also in order that the reasons for the dissolution might appear in the act dissolving it. As therein stated, no additions to the original fund have come to the foundation, and the accrued income from the original fund has been found wholly insufficient to enable the peace committee to carry out the purposes of the foundation. For this reason the trustees decided that it was best to have the foundation dissolved, and the money returned to Mr. Roosevelt or disposed of with his approval. With this in view, the chairman of the foundation wrote Mr. Roosevelt as follows on December 5, 1914:

"I am instructed by the special committee of the trustees of the Foundation for the Promotion of Industrial Peace to submit to you for your information a report which the committee contemplates presenting to the trustees it, as the committee hopes, the proposal contained therein shall commend itself to your judgment. It would be most unjust to the present board of trustees if you were to feel that, in making this suggestion, we are shrinking from a duty that we had undertaken to discharge because of any half-heartedness on our part in carrying out your wishes. The committee believes, on the contrary, that you will yourself appreciate that in the absence of any additions to the fund so generously given by you, the fund itself is too small to be successfully administered by a board so constituted. Under the circumstances, therefore, the committee hopes that you will be willing to have the trustees petition the Congress to permit the return of this fund to you, because in your hands the committee is sure that it will be much more highly useful than it can be under the care of any practicable board of trustees. If, however, you feel that a further effort should be made to administer the fund as now provided for by law, the trustees will endeavor to bring about only such minor changes in the law as are in any event necessary. We are entirely certain that you will not in any case misunderstand our motives in raising this question definitely in your mind."

Mr. Roosevelt wrote the chairman the following letters, on January 4:

"I have received your letter of December 5.
"I entirely agree with you. I especially agree in your statement that it would be most unjust to the board of trustees to feel that they have in any way shrunk from performance of the duty that, because of my action, was put upon them. On the contrary, the absence of any additions to the fund has completely prevented effective action by the board of trustees. The fund is altogether too small to be successfully administered by a board constituted as this one was. Its only usefulness was to serve as a nucleus for other gifts of the kind. These gifts have not been made, and I entirely agree with you that it is better to have the fund returned to me to be administered by myself. In this case I shall, of course, use it for purely philanthropic purposes.
"I thank you heartily for the proposal. I cordially approve of it, and I earnestly hope that Congress will act immediately on your suggestion. Such immediate action would enable me to use a portion of the fund this winter when the suffering among our own people is so severe."

"I think it preferable to have the disposition made by me, and to have me report the same to the trustees. With a sum as small as this, better work will be done by one person than by a board; and the reasons which made me desire to turn it over to be administered by a board, when it was to be a nucleus to which other sums were to be added, no longer obtain when only this amount is to be disposed of. The plan, through no fault of the trustees, has resulted in the talent being hidden in a napkin for eight years. My proposal is to have it used, and, if possible, some of it used this winter, when there is so much suffering; and I do not think it will be well to have it used by a committee."

At a meeting held in the presence of the Secretary on the 16th instant, at which there were present Mr. Chief Justice White, the Hon. Seth Low, and Mr. John Mitchell, the draft of the bill herewith submitted to you was approved. This action has also the approval of the other members of the committee—Mr. Secretary Houston and Mr. Marvin Hughitt.

I assume that the inclosed will furnish you all the information you desire in the matter. If, however, in addition to the above, you desire to look over the files of the department in reference to this foundation, I will be glad to submit them to you at any time.

Yours, very truly,

A. L. THURMAN, Solicitor.

PROHIBITION OF REVENUE FROM LIQUOR TRAFFIC.

Mr. WORKS. I introduce a short bill, and ask that it be printed in the RECORD and referred to the Committee on Finance.

The bill (S. 7423) to prohibit the collection of revenue from dealers in intoxicating liquors and making sellers of liquors liable for crimes of persons while intoxicated by use of liquors supplied by them, was read twice by its title, referred to the

Committee on Finance, and ordered to be printed in the RECORD, as follows:

A bill (S. 7423) to prohibit the collection of revenue from dealers in intoxicating liquors, and making sellers of liquors liable for crimes of persons while intoxicated by use of liquors supplied by them.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act no license shall be issued to or tax levied against or collected from any person, corporation, or association selling, manufacturing, or in any other way dealing in or with intoxicating liquors in any State or portion of any State or in the District of Columbia, or any other Territory where the sale or manufacture of intoxicating liquors is forbidden by law or the vote of the people, and all laws or parts of laws authorizing the issuance of such laws or imposition of such tax in so far as they apply or relate to any State, Territory, or locality where the manufacture or sale of intoxicating liquors is forbidden as aforesaid, are hereby repealed.

SEC. 2. That from and after January 1, 1916, no revenue or other tax shall be levied against or collected from any persons, corporation, or association for or on account of the manufacture or sale of intoxicating liquors of any kind, and all laws or parts of laws authorizing the imposition or collection of any tax or the issuance of any license or permit to manufacture, sell, or otherwise deal in intoxicating liquors are hereby repealed, to take effect on said last-named date.

SEC. 3. That where any person shall be guilty of the commission of any crime while in a state of intoxication resulting from the use of intoxicating liquors obtained from any person, acting for himself or as agent of another engaged in the sale of intoxicating liquors, the person from whom he procured such intoxicating liquors shall be guilty as an accessory before the fact of the crime so committed by the person to whom such liquors were supplied, and punished accordingly.

RIVER AND HARBOR APPROPRIATIONS (H. R. 20189).

Mr. CHAMBERLAIN submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were referred to the Committee on Commerce and ordered to be printed.

Mr. PERKINS submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. JONES submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. ROBINSON submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHERMAN submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

He also (for Mr. LEWIS) submitted an amendment intended to be proposed to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. HARDWICK submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. O'GORMAN submitted three amendments intended to be proposed by him to the river and harbor appropriation bill, which were referred to the Committee on Commerce and ordered to be printed.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. JONES submitted an amendment proposing to appropriate \$25,000 for special experiments looking to the most practicable and cheapest methods of producing denatured alcohol, intended to be proposed by him to the Agricultural appropriation bill (H. R. 20415), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. CATRON submitted an amendment proposing to appropriate \$500 to reimburse the State of New Mexico for money advanced the United States to secure the survey of lands granted to that State, intended to be proposed by him to the general deficiency appropriation bill, which was ordered to be printed and, with the accompanying paper, referred to the Committee on Appropriations.

Mr. POINDEXTER submitted an amendment proposing to appropriate \$10,000 for the establishment and maintenance of an experimental station in central Washington and for carrying on field work in connection therewith, intended to be proposed by him to the Agricultural appropriation bill (H. R. 20415), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

OMNIBUS CLAIMS BILL.

Mr. VARDAMAN submitted an amendment intended to be proposed by him to House bill 8846, commonly known as the

omnibus claims bill, which was ordered to lie on the table and be printed.

THE MERCHANT MARINE.

Mr. CLARK of Wyoming submitted an amendment intended to be proposed by him to the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes, which was ordered to lie on the table and be printed.

WITHDRAWAL OF PAPERS.

On motion of Mr. LODGE, it was

Ordered, That the papers in the case of Eugene E. Colburn (S. 640, 63d Cong., 1st sess.) be withdrawn from the files of the Senate, no adverse report having been made thereon.

On motion of Mr. SMITH of Maryland, it was

Ordered, That the papers accompanying the bill (S. 7848, 62d Cong.) for the relief of Henry A. Garheart be withdrawn from the files of the Senate, no adverse report having been made thereon.

On motion of Mr. BORAH, it was

Ordered, That the papers accompanying the bill (S. 625, 63d Cong.) granting an increase of pension to James M. Wells be withdrawn from the files of the Senate, no adverse report having been made thereon.

On motion of Mr. SHIVELY, it was

Ordered, That the papers accompanying the bill (S. 4642, 63d Cong., 2d sess.) granting a pension to Rose Schroeder be withdrawn from the files of the Senate, no adverse report having been made thereon.

EMPLOYMENT OF STENOGRAPHER.

Mr. SHEPPARD submitted the following resolution (S. Res. 524), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Irrigation and Reclamation of Arid Lands, or any subcommittee thereof, be, and the same is hereby, authorized to employ a stenographer from time to time, as may be necessary, to report such hearings as the committee may direct to be had, such stenographer to be paid at a rate not exceeding \$1 per printed page, and that the expense thereof be paid out of the contingent fund of the Senate.

IOWA INDIANS.

Mr. OWEN submitted the following resolution (S. Res. 525), which was read and, with the accompanying papers, referred to the Committee on Indian Affairs:

Resolved, That the bill (S. 7293) entitled "A bill for the relief of the Iowa Indians," now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

EMPLOYMENT OF STENOGRAPHER.

Mr. POINDEXTER submitted the following resolution (S. Res. 526), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Expenditures in the War Department, or any subcommittee thereof, be authorized during the Sixty-third Congress to hold hearings and employ a stenographer at a price not to exceed \$1 per printed page, to report such hearings in reference to expenditures by the War Department for artillery and ammunition therefor, especially as to the use of high explosives; and the expenses thereof shall be paid out of the contingent fund of the Senate.

THE NAVY.

Mr. PERKINS. Mr. President, I send to the desk a short communication from ex-Senator William E. Chandler, also ex-Secretary of the Navy, in relation to the increase of the Navy. I ask that it be printed in the Record and referred to the Committee on Naval Affairs.

Mr. TILLMAN. I ask that the letter of former Senator William E. Chandler presented by the Senator from California [Mr. PERKINS] be read for the information of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read the communication.

The Secretary read as follows:

WASHINGTON, D. C., January 15, 1915.

Hon. GEORGE C. PERKINS,
United States Senator.

MY DEAR SENATOR PERKINS: I venture to advise you to refrain (1) from bringing politics into naval legislation or administration, (2) from

making haste in naval construction or expenditure, (3) from weakening civilian control in the Navy Department, and (4) I urge you not to forget the duty that is from Congress to the taxpayers of the United States.

I.

Politics in dealing with the Navy: Abstinence from any political motives or differences in connection with naval affairs is as appropriate as when dealing with foreign affairs. Besides, nothing from political complaints will result in Republican advantage.

Our opponents have been in national power less than two years. The Republicans had a reasonably sufficient Navy for the Civil War. But from 1865 down to 1883 they did practically nothing for the Navy. In that last year the available appropriations were \$15,402,120 and the expenditures were \$13,936,294. And at least \$2,000,000 of the amount were wasted on a discreditable navy-yard establishment.

The naval ships, large and small, were 37 in number, all built of wood but 4, and those were of less than 1,400 tons displacement. All the ships were of low speed, their engines not modern, only 14 being compound, and their maneuvering and destructive powers were inferior to existing warships of other navies. It was officially then said that "with not 1 modern high-powered cannon in the Navy and with only 87 guns worth retaining, the importance of action for the procurement of naval ordnance seems apparent if the Navy is to longer survive," and so in 1883 the destruction of the old Navy and the beginning of the new took place.

With this record of naval nonconstruction continued for 18 years you will see that we can not make political capital out of any Democratic delay of naval construction and preparation during a period of about 18 months.

II.

Reasons for making haste slowly: There is a potent reason for not hurrying present naval construction. Until the present war in Europe is over we can not be at all certain in what direction large expenditures ought to be made. It is not to be expected that whatever may be revealed big battleships will be no longer built. But such is the terrifically destructive power of Zeppelins and aeroplanes and of submarines, that no more large warships should be built until every possible device is developed for the protection of the ships. One, two, or three more protective decks may be required; one, two, or three more ship's bottoms may be advisable. Who can now tell? It is the height of folly not to study questions like these before making vast additional expenditures. We can spend money enough in various ways upon submarines and flying machines, upon guns and explosives, to use up all the appropriations that can wisely be made within the next few years. It is not my purpose in this brief letter to discuss the question whether our country is in any danger of immediate war with any powerful nation. The blindest man can see our absolute safety till long after the present European war ends. During this period we should study the art of modern war with diligence and wisdom, and make sure that when we next spend vast sums for dreadnaughts we are as certain what we ought to do as investigation into a dreadful war all around the globe can make us. Already we are told that five of our battleships—the famous Oregon and the Indiana, Massachusetts, Kentucky, and Kearsarge—are obsolete and should be "replaced by new ships."

III.

We should strengthen instead of weakening civilian control of the Navy Department: There are in the Navy 3,388 commissioned officers, and there are, besides the ordinary clerical force, only two civilians—a Secretary and an Assistant Secretary of the Navy. But they represent the civilian President of the United States, who is in addition made by the Constitution "Commander in Chief of the Army and Navy of the United States, and of the militia of the several States when called into the actual service of the United States."

The Navy of our free Republic, to be governed by the laws of Congress and thus commanded by a President, aided by his Secretary and Assistant Secretary, should not be decorated by many special boards of naval officers, and by no such boards except such as are created by the President and disbanded whenever this is deemed wise by the Commander in Chief. There are established by law eight bureaus of the Navy Department, and such bureaus have existed since the beginning of the Government. The chiefs of these bureaus must be naval officers nominated by the President and confirmed by the Senate and their terms end in four years. As a general proposition they are sufficient professional advisers and assistants for the Secretary and President, and are all that are needed to keep those two civilians from making mistakes in the exercise of their rightly bestowed power to command the Navy of the Republic.

But this is not all. The President and Secretary are under the constant surveillance of the two Houses of Congress, whose natural course of watching and legislating is aided by regular committees and may be strengthened by the assistance of other Members of special capacity and energy not possessed by the regular committees—if there are such superior Members, as some Members think they are. In view of all these provisions for securing perfect direction of the naval arm of our Government it would be a mistake to embarrass and weaken the present civilian control of the Navy Department.

IV.

Be sure and constantly keep in mind the duty that Congress owes to the taxpayers of the Nation: You have heard Senator Hoar say that every laboring man in Europe carries on his back a soldier armed and equipped as the law directs. The French Revolution was caused by the unequal taxation of the poor peasants and laborers and the evasion of taxation by the rich nobles.

In 1883 we were expending on the Navy \$15,000,000 annually, and when destroying the old worthless ships and guns and beginning a new Navy we at first increased the annual expenditure to only \$20,000,000. In 1913 our total ordinary expenditures were \$682,000,000, of which \$160,000,000 were military, \$133,000,000 were naval, and \$175,000,000 were military pensions, making \$468,000,000 (or nearly 70 per cent of the \$682,000,000) used to pay the expenses of past wars and in preparing for future wars, as Representative Tawney repeatedly reminded Congress.

It has hitherto seemed that the most important question in this country during the next 20 years would be that of keeping down national extravagance and taxation. The Democratic Party is to be thrust out of national power in 1916 largely because it fails to fulfill its promises of economy in expenditures and because of its reduction of tariff protection and of the wages of American labor. It behooves the Republican Party to go slowly in enlarging the appropriations of the late billion dollar Congresses. The European war is no excuse for haste in naval appropriations, but rather a reason for going slowly until

we are quite sure in what way and to what extent our naval construction and preparation are to be modified by the course of existing events. At all events we should wait before making vast expenditures until the next Congress meets and until we learn the result of the pending German Zeppelin expedition for the destruction of England.

There is not to be the slightest danger for years of the need by the United States of entering into a serious war with any formidable nation.

I trust you will be willing to receive my suggestions, even if they are not profound and wise.

Yours, truly,

WILLIAM E. CHANDLER.

Mr. TILLMAN. Mr. President, I am glad the Senator from California has decided to ask for the publication in the RECORD of the letter from former Senator William E. Chandler. Mr. Chandler sent me a copy of the letter to Senator PERKINS, and that explains why I am speaking on it. All three of us have had long service on the Naval Committee; Senator PERKINS more than either Chandler or myself. Senator Chandler has had a varied experience in naval affairs. He was Secretary of the Navy under President Arthur, and really began the construction of the new Navy. He was on the Naval Committee when I first came to Washington in 1896, and was at that time one of the ablest men in the Senate. Although he has recently entered his eightieth year his mind is still alert and vigorous. While he is a Republican and I am a Democrat, we have always been warm personal friends. Necessarily he is better posted on naval affairs than almost any man in Washington, not excepting even in the Navy Department itself. I attach great weight to his judgment on naval matters, and I am especially glad to see that his views and my own coincide in regard to the un wisdom of an extended and costly building program at this time. Right now the Navy needs many other things far more than it does battleships.

The war in Europe will undoubtedly explode a great many theories about battleships and submarines. Indeed it has already exploded many ideas on these subjects. The German 42-centimeter guns, the great surprise of the war so far, demolished the most scientifically constructed forts made of concrete and iron so easily, and almost instantaneously, that the best fortified city in Europe, Antwerp, was captured in less than a week. And the Germans, or some other nation, may be holding in reserve some devil's engine which will make superdreadnaughts as obsolete and useless for war purposes as an Indian canoe. No one knows what is going to happen. The demon of destruction, like a vulture, hovers over Europe with an insatiate appetite. Hell itself seems to have broken loose over there, and if the devil is not abroad his prototypes are devastating what eight months ago was the fairest and most prosperous corner of that Continent.

Why should we build battleships when every day may demonstrate their utter worthlessness? Let us wait until the war has shown what kind of craft we should construct. Time alone can teach us whether future sea fighting will be waged most successfully on, under, or above the water. The relative merits of the dreadnaughts, aeroplanes, and Zeppelins will be found out ere long, and we can reap the fruits of the experiments now going on without sharing any of the dangers of the conflict. We can wait and watch with perfect safety the lessons of the war; for the nations of the world are too busy destroying each other and wasting accumulated wealth of years; and all of them will be too much exhausted for at least 10 years to think of fighting us. The submarine in the future is bound to cut a great figure in naval warfare and possibly in harbor defense, too. Until, as Mr. Chandler says, we know what the Zeppelins are going to do, or can do, with battleships; whether bombs dropped from these air craft can destroy battleships unless they have two or three decks, or subdivisions, protected by armor; or whether the danger of torpedoes from below will require two or three bottoms to keep the ships from sinking, it would be the height of folly, in my opinion, to pursue any other course than to prepare to build battleships and have the plans drawn in anticipation of their construction; but wisdom compels us to wait before making contracts or expending money in any such way until we know what we are doing.

I am sure the Senator from California will agree with me in my estimate of Mr. Chandler's ability. His experience and intimate knowledge of naval affairs force me at least to listen when he speaks authoritatively, as he has done in this letter; and I for one shall not vote for any other policy at this time. It would be little short of a crime for the Naval Committee and for the Congress, too, if we rushed the construction of battleships until we know what lessons the war will teach and show to be wise. The appropriation bill which is now pending in the House carries many items for increase in the Navy for which, I notice in the papers, Secretary Daniels said he did not ask at all and does not think the Navy needs. How they got into the appropriation bill I do not know; and why they were

put there is also a mystery. I find nothing whatever in the hearings or in the estimates in explanation.

It does seem to be time for Congress to go slow in expending these tens of millions of dollars because of some supposed necessity, or the desire on the part of some one to have ships constructed in certain navy yards or in certain places. I feel sure a half dozen or more battle cruisers, strong enough to put up a good, stiff fight and swift enough to catch anything afloat, or run away as wisdom may dictate, would serve the country's needs at this time far better. Just the type of battleship we ought to build, we do not now know. Therefore, I am sounding this warning. There never was any wiser utterance than Davy Crockett's motto:

Be sure you are right and then go ahead.

Already the fight between the fractions of the two opposing fleets in the North Sea has demonstrated one thing: That speed is of vital importance to any war craft we are to build, whether battle cruiser or dreadnaught. The swifter German cruisers got away from the British, but the slower, *Blucher*, although faster than any battleship we have, was sunk. And yet the General Board urges the construction of more battleships. The Naval Registers give the highest speed of any of our battleships at 22 knots.

If the contracts are once let for a specified form of ship, any change which, in the light of experience might be thought desirable, would be a very costly affair. Therefore, I earnestly urge and beg the Senate to consider carefully the amendment I am prepared to offer at the proper time, and which I now send to the desk, and ask to have read by the Secretary so it may get into the RECORD.

The VICE PRESIDENT. The letter will be referred to the Committee on Naval Affairs. The Senator from South Carolina sends to the desk an amendment intended to be proposed by him to the naval appropriation bill, which, without objection, will be read by the Secretary.

The Secretary read as follows:

Amendment to the naval appropriation bill (H. R. 20975) to be proposed by Senator TILLMAN as a substitute for the building of two battleships:

"The Secretary of the Navy is hereby directed to prepare and submit to the next Congress plans and specifications for building four warships of the type, power, and speed which, in his judgment, based on the knowledge gained from the prevailing war in Europe, are best suited for war on the sea; also to report, in the light of that war, the value and uses in naval warfare of aeroplanes, Zeppelins, and submarines."

The VICE PRESIDENT. The proposed amendment will be referred to the Committee on Naval Affairs and be printed.

EXTENSION OF THE MERCHANT MARINE.

Mr. MARTINE of New Jersey. Mr. President, I offer and ask to have printed in the RECORD an address delivered before the American Association for the Advancement of Science, at Philadelphia December 29, by Mr. George W. Norris. It is a short address, comprising six pages.

The VICE PRESIDENT. Is there objection?

Mr. JONES. I understand it is an address with reference to the shipping bill.

Mr. MARTINE of New Jersey. It has reference to the shipping bill.

Mr. JONES. I think it would be better if the argument were read to the Senate, as the bill is under consideration.

Mr. MARTINE of New Jersey. I will ask that the Secretary be instructed to read it to the Senate.

Mr. LODGE. I object.

The VICE PRESIDENT. Objection is made. The question is, Shall the address be read? [Putting the question.] The ayes seem to have it. The ayes have it, and the Secretary will read the address.

The Secretary proceeded to read the address.

Mr. MARTINE of New Jersey. I ask that the address be published entire in the RECORD without further reading.

The VICE PRESIDENT. Is there objection?

Mr. McCUMBER. I object.

The VICE PRESIDENT. The Senator from New Jersey requested that the address be printed in the RECORD and there was objection. He asked that it be read, and there was objection. Thereupon the Chair, in accordance with the rule of the Senate, put the question, and the Senate ordered that it be read. It can not now be withdrawn from being read without the consent of the Senate, and there is objection to its withdrawal.

Mr. OVERMAN. I do not think there was an objection to the withdrawal of the reading.

The VICE PRESIDENT. There was an objection.

Mr. POINDEXTER. Mr. President, it is a pertinent matter relating to important legislation now pending before the Senate, and I think it should be read.

Mr. KERN. As the Senator from New Jersey submitted a request that the reading be dispensed with, I ask unanimous consent that the order of the Senate directing that it be read be reconsidered.

Mr. McCUMBER. Mr. President, I objected to unanimous consent. I think the reading can be finished in a very few minutes more. It is a pertinent matter, and if it is not read now it will be read at some other time. So we would gain nothing by dispensing with the reading.

Mr. CLARK of Wyoming. Regular order, Mr. President.

Mr. STONE. Let the reading proceed.

Mr. POINDEXTER. Regular order!

The VICE PRESIDENT. The address has been ordered read, and the reading will proceed.

The Secretary resumed and concluded the reading of the address, which is as follows:

EXTENSION OF OUR MERCHANT MARINE.

[An address delivered before the American Association for the Advancement of Science, at Philadelphia December 29, 1914, by George W. Norris.]

The subject which has been assigned to me for discussion this afternoon is "The extension of our merchant marine." With all respect, I would suggest that "The Revival of our Merchant Marine" would have been a truer and more appropriate title. By whatever name we may choose to call it, the subject is one of tremendous importance—of such importance that, while I am glad to have the opportunity of presenting it, I hope and trust that it may be discussed in many other forums; that my very imperfect presentation may be supplemented and improved; and that these discussions may go on until we reach a real and practical remedy for the present deplorable conditions.

One of the most notable of Sir Walter Raleigh's many notable aphorisms was his declaration, "Whosoever commands the sea commands the world." Whosoever commands the trade of the world commands the riches of the world, and consequently the world itself. That statement is as true to-day as it was when he made it. The converse of the proposition is equally true—that whosoever does not command the sea trades at the pleasure of others and contributes to the wealth of others, who will in time command the world itself. Never has the world had such an object lesson in the value of "command of the sea" as is afforded to-day, when the industries and commerce of England continue in an almost normal way in the midst of a war for national existence, while Germany's commerce has been banished from the seas and her vessels are tied up in all the great ports of the world, her exporters are idle, her looms are silent, and her people must economize in their use of foodstuffs to avoid the danger of ultimate starvation. You may say that this is a question of a navy rather than of commerce, but I would have you note that the two are inseparably related. An adequate navy must include collars, transports, supply and hospital ships, and scout cruisers, as well as battleships, torpedo boats, and submarines. There must be shipyards for construction and repair work, and there must be a reserve of men trained to the sea to meet the added demands and losses of war, and unless there is a merchant marine you can not have these things. Shipyards can not live on the construction of battleships alone. Confine them to that, and war will find you without shipyards, without trained artisans, without an adequate supply of auxiliary ships, and without facilities for manning such ships as you might otherwise be able to put in commission.

Leave out the question of national defense, and look merely at what our position would be if, instead of an undisputed mastery of the sea by England, there was an even distribution of sea power, and England, France, Germany, and Austria were all preying upon each other's commerce, and goods could not be shipped with safety in the vessels of any of those nations. We produce about 42 per cent of the world's pig iron, nearly 25 per cent of its wheat, over 40 per cent of its coal, over 70 per cent of its corn, and 60 per cent of its cotton. A great deal of our production of these articles we export—two-thirds of our cotton and nearly a quarter of our wheat, not to speak of 32,000,000 barrels of petroleum annually—and with these exports we pay a large part of our annual charge of six hundred to eight hundred millions due to the rest of the world for interest, dividends, freights, and payments and remittances of various kinds. If there were no ships in which these goods could be exported, what pen could describe the financial and industrial chaos in which we would be plunged? Think of the point to which wheat would drop. Think of the iron furnaces out of blast, the mines closed down, the farmers ruined, and our gold supply exhausted, unless universal repudiation were enforced. The picture is too horrible to contemplate; and yet, like a drunken man dancing on a tight rope, we go on relying upon the providential mercy which has thus far preserved us from such a national catastrophe. This is no figure of rhetoric, or overdrawn picture. It is a self-evident peril, which stares us in the face and to which only fatuous folly will seek to close its eyes.

But have we no ships, you may ask? Oh, yes; if you will refer to the last issue of Lloyd's Register you will be gratified to find that the American merchant marine comprises 3,100 vessels of over 5,300,000 tons gross register, and these figures are the narcotic which has lulled to sleep so many of our statesmen and business men and economists. But if you will analyze these figures, and subtract the vessels which ply only upon our lakes, rivers, bays, sounds, or canals, and which are either absolutely imprisoned on our inland seas or otherwise unavailable for ocean transportation, you will have left only 361 vessels of a gross tonnage of 1,375,000 tons to represent our ocean-going American merchant marine, and even from that paltry remnant there should probably be a further deduction made on account of vessels which, owing to their limited size, are not commercially available. The available ocean-going marine is therefore just about equal in tonnage to the fleet of one single German company. Put in a different form, whereas in 1861 over 65 per cent of our foreign commerce was carried in American bottoms, in 1901 only 8 per cent was so carried. To-day our foreign commerce represents about one-eighth of the world's total, and not more than one-tenth of that one-eighth, or 13 per cent of the world's commerce, is carried in American bottoms. For the carriage of the other nine-tenths of our own foreign commerce it is estimated that we are annually paying to the shipowners of other nations in ocean freights and passage money from \$200,000,000 to \$250,000,000 a year. This is a direct loss, and takes no account of the profits we might make if, like other nations,

we engaged in the business of transporting goods other than our own. By the neglect of this business it is therefore evident that we are not only (a) losing these last-mentioned possible profits, and (b) paying this enormous and killing annual charge, but we are also subjecting ourselves daily to the frightful risk of an utter paralyzation of our whole foreign trade.

Having thus outlined present conditions, it may be pertinent to refer very briefly to the causes which have brought them about. In the early days of the Nation nearly all of our foreign commerce was done in American vessels—in 1821, for example, 89 per cent of it. Up to the Civil War there was a slow but steady decline, the proportion being 86 per cent in 1831, 83 per cent in 1841, 73 per cent in 1851, and 65 per cent in 1861 (fractions omitted). Then came a rapid drop—32 per cent in 1871, 16 per cent in 1881, 12 per cent in 1891, and 8 per cent in 1901. With all the tremendous increase in our foreign trade in the last 50 years, the American tonnage carrying it is now only 40 per cent of what it was 50 years ago.

What is the explanation? The size of vessels had been increased, and iron and steel had taken the place of wood in construction. Instead of being built in a sort of local cooperative way the construction of vessels had become a specialized form of industry. Construction had been subjected to the inevitable results of our protective-tariff policy, and operation had been subjected to both those results and to the effects of our navigation laws. We had made ships about 60 per cent more expensive to build in American than in foreign shipyards and from 20 per cent to 35 per cent more expensive to operate after they were built. Having thus bound a ligature around each leg of our merchant marine, we have watched the legs atrophy, and have for 40 years confined ourselves to eloquent regrets that our bound and shackled victim did not run and dance and to expressions of fervid hope that he soon would. We can maintain a monopoly of coastwise commerce. We can give a practical monopoly to a public-utility company or a limited monopoly to a line of land transportation, but on the lanes of the broad ocean, which is the highway of all the world, there can be no monopoly. There all comers meet, and "the race is to the swift, the battle to the strong." In that unrestricted competition the weak, the overburdened, and the handicapped can not even hope for success.

Is it not about time for a people as intelligent as the American people to alter their attitude upon this all-important subject? There are certain economic or industrial changes which could be made to advantage. I believe that the high cost of vessels built in American shipyards is largely due to the fact that they are finished with an unnecessary degree of elaboration, and that there is an utter lack of standardization. An ocean "tramp" built merely to carry bulk freight does not need to be highly finished. She should be strong and seaworthy, but neither speed nor appearance is material. Many of the modern freighters constructed abroad are mere steel boxes, pointed at the ends, with an engine, a propeller, and a rudder. Our Lake freighters are sometimes described as being "built by the mile and sold by the foot," but their effect upon transportation costs has been little short of marvelous. In the memory of living men it used to cost 32½ cents a bushel to bring wheat from Duluth to Philadelphia. Last fall it was brought over the same route for 6½ cents a bushel. Grain has been moved from Duluth to Buffalo for 1 cent a bushel, and coal and ore between Superior and the lower Lake ports for 40 cents to 50 cents a ton. There is no reason to doubt that what these freighters have accomplished in Lake transportation and what a great Detroit manufacturer has done in automobile construction may be, to a great extent at least, duplicated in ocean transportation. Standardization is the secret, but standardization is only effective when it can be applied on a large scale; and what opening, it may be asked, is there for it when, as at present, there is practically nothing to standardize?

This brings me to a discussion of some of the remedies which have been suggested by individuals or organizations interested in the subject. Among these suggestions are the removal of duty on materials entering into the construction of vessels, the admission to American registry of foreign-built vessels, subsidies, and various modifications of the navigation laws. It is perfectly evident that, as President Wilson said in his last message to Congress—

"To correct the many mistakes by which we have discouraged and all but destroyed the merchant marine of the country, to retrace the steps by which we have, it seems almost deliberately, withdrawn our flag from the seas, except where, here and there, a ship of war is bidden carry it or some wandering yacht displays it, would take a long time and involve many detailed items of legislation, and the trade which we ought immediately to handle would disappear or find other channels while we debated the items."

American shipbuilders are already handicapped by the higher cost of materials and higher wage scale which they have to meet, and to admit foreign-built vessels to American registry as a regular and permanent thing would probably be a fatal blow to the shipbuilding industry. The admission of shipbuilding materials free of duty would be wholly inadequate to meet the situation. Many people have argued for many years in favor of subsidies, which have been suggested to successive Congresses in many forms, sometimes undisguised and sometimes disguised as payments for carrying the mails, or as a guaranty of the bonds of private corporations or as a Government loan to a private corporation. It is a well-known fact that the Democratic Party is opposed on principle to subsidies, either disguised or undisguised, and as it was never possible to get any form of subsidy through a Republican Congress, it is scarcely worth while to consider the possibility of its getting through a Democratic Congress. Any attempt to modify the existing navigation laws will certainly be opposed by the seamen's union, supported by all the other labor unions and reinforced by the enthusiastic advocates of the "safety-at-sea" idea, whose cause has been so much strengthened by the series of startling marine disasters which have shocked the world within the last few years. It is therefore evident that any changes that will bring the cost of either building or operating vessels down to the foreign standard must be very radical changes, and will inevitably be opposed by very powerful interests. I do not mean to say that no attempt should be made to effect such changes. American ingenuity and adaptability has been able to make a success in many lines of industrial activity where foreigners had distinct initial advantages, and I believe that we would find means to overcome in ocean transportation some differences in cost of both construction and operation, and that changes might ultimately be accomplished which would make it possible to overcome the handicap. It is too evident for argument, however, that the accomplishment of any such result will be tedious and difficult, and that the present conditions should not be allowed to continue for the years that must elapse before such result could be reached.

The pressure of these facts and conditions has been felt in Congress, and at the last session several bills were introduced aiming at either the

development of the merchant marine or the provision of auxiliary vessels for the Navy, or both. There were hearings before the House Committee on the Merchant Marine and Fisheries at which these bills were discussed quite fully, and majority and minority reports were submitted from that committee. At the present session a new bill has been introduced by Senator STONE, which was referred to the Committee on Commerce, and has been favorably reported from that committee. This bill creates a shipping board, consisting of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce. Subject to the direction or approval of the President as to its more important functions, this shipping board is authorized to subscribe to any part, not less than a majority, of the capital stock of a corporation undertaking the purchase or construction and subsequent operation of merchant vessels to ply between ports of the United States and the ports of Central and South America, and perhaps elsewhere as necessary to meet the requirements of commerce. It is further provided that Government bonds up to \$30,000,000 may be issued for the purpose of purchasing or constructing vessels to be sold to such corporation, payment therefor being made in bonds of the corporation. This bill contains a further provision authorizing the President to lease or transfer to such corporation not only vessels purchased or constructed under the provisions of the act, but also such naval auxiliaries as are suitable for commercial use and are not required for use in the Navy in time of peace. It is further provided that vessels purchased or constructed under the act shall be, as far as possible, suitable for use as naval auxiliaries and that the Government shall have the power to take them for naval purposes at any time.

This act and a similar one introduced in the previous session have been criticized in many quarters. Some persons regard them as "paternalistic" and others brand them as "socialistic." Some object to the idea of using public money to run steamship lines at a loss. Some persons given to seeing ghosts can only regard them as schemes to buy the German steamers tied up in our ports, while to others the specter assumes the form of "an entering wedge to Government operation of transportation by land as well as by water." Others oppose them because they believe the navigation laws should be changed. Others because they believe that the proper remedy is in subsidies to privately owned and operated lines. Both these last classes are unwilling that the patient should be cured by any other remedy than their own, although they will probably admit that there never was a time when the acceptance of either of these remedies was so unlikely as just now.

As to the idea that the adoption of such a measure would be a precedent for railroad operation by the Government or would in the slightest degree pave the way to any such result, I can imagine nothing more unlikely. The conditions which exist in ocean transportation and the theory upon which Government intervention must be justified are so wholly different from the railroad situation that there can be neither analogy nor comparison between the two. Moreover, as the governmental intervention would probably be temporary—ultimately yielding the field to private capital—and would probably show a balance on the wrong side of the ledger, opponents of Government ownership of railroads should rather welcome the experiment as likely to prove an illuminating object lesson.

The bill authorizes the shipping board to "purchase or construct" vessels. While much-needed orders would quickly be given to our shipyards, no doubt, pending construction, some vessels would be either purchased or chartered, to take care of the present trade emergency, and it is quite possible—perhaps likely—that some of these would be German. Does this detail condemn the whole proposition? The other objections—paternalism, socialism, and the use of public money in a probably nonremunerative enterprise—all involve the same principle. Men always have differed, and always will differ, as to just what functions Governments—National, State, or municipal—should undertake. Leaving out the extremists at both ends, I think it may be said that a very large majority of our people are of opinion that Government should provide all those things necessary to the health, safety, and comfort of the community which private capital does not and will not provide. Where private capital might do it on certain terms or where private capital is doing it, and there is a dispute as to the efficiency of the service or the fairness of the rates and terms, there is always and necessarily a wide field for argument. But where the thing is necessary, and private capital has not undertaken, and will not undertake, to supply it, there is substantial agreement that it should be supplied by the community itself, acting through its constituted authorities. I am not attempting to state this with scientific accuracy or in the phrase of the political economist. I am only endeavoring to state what I believe to be the plain opinion of the plain people. They have acted on this principle repeatedly, and in many localities. To take two conspicuous illustrations: It has brought about the construction of many miles of municipally built and municipally owned subways, and it has created harbor improvements whose cost has run into the tens of millions. Cities went into these enterprises, either alone or in association with private capital to which preferential terms were given, knowing that the direct return upon the investment would not be adequate for a period of years, if ever, but knowing also that they were essential to the health, comfort, and development of the community; that they must be provided; and that they could not be provided in any other way. I maintain that the entry of the Federal Government into ocean transportation is justified on exactly similar grounds.

Let me review the facts:

Fact one. We have, practically speaking, no vessels in which to send out our \$2,500,000,000 of exports or bring in our nearly \$2,000,000,000 of imports. Because of this fact, we are (1) destroying the efficiency in war of our Navy, (2) fattening the rest of the world by an annual payment of \$200,000,000 or more, (3) hampering our manufacturers and exporters by compelling them to ship through their competitors, and (4) running the risk of an utter paralysis of our foreign trade by a war to which we are no party.

Fact two. Under existing conditions it is capable of mathematical demonstration that private capital can not and will not supply such vessels.

Fact three. These conditions can not be materially changed without such radical and fundamental changes in our policies as could only be brought about, if at all, through an educational propaganda continued over a period of years.

Fact four. The Federal Government can fill the void at a direct cost which can not be more than a very minute fraction of the indirect benefit.

Believing in the absolute truth of these facts, I am strongly in favor of trying the experiment. I believe that the lines established by the Government will greatly aid our exporters, and thereby simplify the problems of our bankers; that their operation will develop trade to a point where, within a few years, it will be possible for private capital to

take some of them over; that the facts learned and the experience gained will pave the way for such changes in the laws as will permit private capital to enter the field; and that thus there will come about, under governmental initiative, that general revival of the American merchant marine about which we have all been dreaming for a generation, but hitherto failing to translate our dreams into action.

CONVENTION WITH NICARAGUA.

Mr. GALLINGER. I have a brief paper relating to the so-called Nicaragua convention, which I ask to have printed in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

A STATEMENT SHOWING WHY THE PENDING NICARAGUA CONVENTION AS IT NOW STANDS SHOULD NOT BE RATIFIED BY THE AMERICAN SENATE, MADE IN THE INTEREST OF COSTA RICA AND ON BEHALF OF THE AMERICAN CITIZENS NOW CARRYING ON VAST BUSINESS ENTERPRISES WITHIN HER BORDERS AND EXTENDING INTO OTHER STATES OF CENTRAL AMERICA.

To the Senate:

The purpose of this statement is to show that the Government of Nicaragua has no power to make a valid grant for canal purposes across her territory to the United States, independent of Costa Rica, as is attempted in the pending treaty before the Senate. That the grant "for canal purposes," as expressed in said treaty, lies within the exterior territorial lines of the so-called Nicaragua canal route connecting the waters of the Atlantic and Pacific Oceans on the line of the San Juan River via Lake Nicaragua, from a point near San Juan del Norte on the Caribbean Sea to Brito on the Pacific Ocean.

That there are well-established reasons why this canal route is to be considered and treated as an entirety, incapable of partition or sale in parcels, Nicaragua and Costa Rica as having coordinate relations of ownership therein, as the same have been already adjudicated and defined by a tribunal of competent jurisdiction, and as surveyed and delineated by commissions of engineers chosen by these two Governments and the Government of the United States.

And that this status of affairs comports not only with the principles of common-law rights, but rests in specific treaty stipulations made and entered into by Nicaragua and Costa Rica, influenced by some of their sister States and the mediation of the American Government, in the interest of peace, as a full and final adjustment of their adverse contentions over boundary lines and the rights of property pertaining to said route, which alone averted the horrors of war between these two nations.

That any attempt by the Government of the United States to acquire any part of this territory "for canal purposes," as is contemplated in the pending treaty, from the Government of Nicaragua, to the exclusion of Costa Rica, is in direct contravention of this adjustment and a radical departure from the pacific policy heretofore pursued by the Government of the United States in its intercourse with these Central American States.

The necessity of such an adjustment was more than indicated and doubtless stimulated by the letter of instructions given to J. Bozman Kerr, the American Chargé d'Affaires to Nicaragua in 1851, by Mr. Webster as Secretary of State in the Fillmore administration at that time, in the case wherein a company of citizens of the United States, under the name and style of the "American Atlantic and Pacific Canal Co.," created under a contract made with Nicaragua, pursuant to a convention between the United States and Nicaragua, but not ratified, conditioned that the United States was to recognize the rights of sovereignty and property which Nicaragua possesses over the line of said canal and to guarantee the neutrality thereof, so long as it "shall remain under the control of the citizens of the United States." It will be observed that the territorial right embraced in this contract was co-extensive with the entire line of the canal route as hereinbefore described.

In this letter Mr. Webster says: "It is well known that for some time past there has been a dispute between the States of Nicaragua and Costa Rica respecting the boundary, and it is certain that until this shall be adjusted the United States could not undertake to guarantee to Nicaragua dominion over the line of the canal to it, impliedly at least, by deciding that dispute in her favor, and engaging to maintain that decision by force should that become necessary." He further says: "Mr. Molina is now the minister of Costa Rica at Washington. In his note of the 31st of March he states that his Government claims a right of dominion over the country lying on the south bank of the River San Juan, from the Atlantic Ocean to the Lake of Nicaragua, as well as all that portion of the aforesaid lake comprised between Fort San Carlos and River La Flor, together with the right to the joint navigation of the above-mentioned River San Juan and Nicaragua. If, therefore, the line of the interoceanic canal should be on the south side of the river or in the river bed thereof, a guaranty by us to Nicaragua of dominion over it would be in defiance of the claims of Costa Rica referred to."

"Under these circumstances," said Mr. Webster, "you will represent to the Government of Nicaragua that this Government can not undertake to guarantee the sovereignty of the line of this canal to her until the course which that work shall take with reference to the River San Juan and its terminus on the Pacific shall be ascertained and until the difference between Nicaragua and Costa Rica respecting the boundary shall be settled. You will suggest to them that it will be advisable for them to empower the minister of Nicaragua here to adjust the question of limits. If, however, the Nicaraguan Government should refuse to authorize Mr. Marcoleta to negotiate upon this subject, you will then intimate to her authorities that the United States will not regard with indifference any attempt on her part to wrest from Costa Rica any territory of which the latter State may now be in peaceful possession."

(See Book 15, American States Instructions, Department of State, p. 113.)

An adjustment of these differences was formally initiated and supposed to be concluded by the treaty of April 15, 1858, signed by Nicaragua and Costa Rica and San Salvador as a mediator, known as the "treaty of territorial limits," which was cordially ratified by the Presidents of Costa Rica and Nicaragua on the 25th day of April, 1858, "as conducive to the peace and prosperity of the two countries and reciprocally useful to both of them."

The said treaty of limits remained in statu quo until about the year 1870, when Nicaragua was the first to question its validity and to differ as to its interpretation, which condition of affairs gave rise to the treaty of December 24, 1886, known as the Costa Rican-Nicaraguan boundary treaty, by which these two powers agreed to submit to arbi-

tration the question as to the validity of the treaty of limits of 1858 and such points of doubtful interpretation as might require a decision in the event of the said treaty of limits being found valid, and further agreed that the arbitrator of these questions should be the President of the United States of America. His Excellency Grover Cleveland, who accepted the office, and on the 22d day of March, 1888, made his award therein, an award which will ever attest his high sense of justice and judicial ability. (See Foreign Relations, 1887, pp. 267-268.)

Inasmuch as the full text of this award appears in volume 2 of the History and Digest of International Arbitrations and in House Miscellaneous Documents, Fifty-third Congress, second session, volume 39, available for the use of Congress, only so much of the same is reproduced or referred to here as is deemed justly material to the purposes of this statement. The first question to be decided by the arbitrator was as to the validity of the treaty of limits of April 15, 1858, and this he decided to be valid. Findings 6, 8, 9, 10, and 11 of the third clause of this award are, in their order, as follows:

"6. The Republic of Costa Rica can not prevent the Republic of Nicaragua from executing at her own expense and within her own territory such works of improvement, provided such works of improvement do not result in the occupation or flooding or damage of Costa Rica territory, or in the destruction or serious impairment of the navigation of the said river or any of its branches at any point where Costa Rica is entitled to navigate the same. The Republic of Costa Rica has the right to demand indemnification for any places belonging to her on the right bank of the River San Juan which may be occupied without her consent, and for any lands on the same bank which may be flooded or damaged in any other way in consequence of works of improvement.

"8. The right of the Republic of Costa Rica to the navigation of the River San Juan with men-of-war or revenue cutters is determined and defined in the second article of this award.

"9. The Republic of Costa Rica can deny to the Republic of Nicaragua the right of deviating the waters of the River San Juan in case such deviation will result in the destruction or serious impairment of the navigation of the said river or any of its branches at any point where Costa Rica is entitled to navigate the same.

"10. The Republic of Nicaragua remains bound not to make any grants for canal purposes across her territory without first asking the opinion of the Republic of Costa Rica, as provided in article 8 of the treaty of limits of the 15th day of April, 1858. The natural rights of the Republic of Costa Rica alluded to in the said stipulation are the rights which, in view of the boundaries fixed by the said treaty of limits, she possesses in the soil thereby recognized as belonging exclusively to her; the rights which she possesses in the harbors of San Juan del Norte and Salinas Bay; and the rights which she possesses in so much of the River San Juan as lies more than 3 English miles below Castillo Viejo, measuring from the exterior fortifications of the said castle as the same existed in the year 1858; and perhaps other rights not here particularly specified. These rights are to be deemed injured in any case where the territory belonging to the Republic of Costa Rica is occupied or flooded; where there is an encroachment upon either of the said harbors injurious to Costa Rica; or where there is such an obstruction or deviation of the River San Juan as to destroy or seriously impair the navigation of the said river or any of its branches at any point where Costa Rica is entitled to navigate the same.

"11. The treaty of limits of the 15th day of April, 1858, does not give to the Republic of Costa Rica the right to be a party to grants which Nicaragua may make for interoceanic canals, though in the case where the construction of the canal will involve an injury to the natural rights of Costa Rica her opinion or advice, as mentioned in article 8 of the treaty, should be more than "advisory" or "consultative." It would seem in such cases that her consent is necessary, and that she may thereupon demand compensation for the concessions she is asked to make; but she is not entitled as a right to share in the profits that the Republic of Nicaragua may reserve for herself as a compensation for such favors and privileges as she, in her turn, may concede."

The special attention of the Senate is respectfully called to Costa Rica's right of navigation in the waters of the San Juan River and its bearing upon the merits and validity of the pending treaty so far as it affects this right from the standpoint of its present status under treaty stipulations, the award of President Cleveland, and the law of nations. Article 6 is material in this connection, as it furnished the basis upon which the arbitrator considered this question. It is as follows:

"The Republic of Nicaragua shall have the exclusive dominion and sovereignty over the waters of the River San Juan from their issue out of the lake to their discharge into the Atlantic Ocean, but the Republic of Costa Rica shall have the perpetual right of free navigation in these waters from the mouth of the river up to 3 English miles below Castillo Viejo for commercial purposes. . . . The boats of either country may touch at any part of the banks of the river where the navigation is common without paying any dues except such as may be established by agreement between the two Governments."

(For the full text of said treaty see State Papers, vol. 48, 1857-58.) In his interpretation of article 6, which is found in the second clause of the award, the arbitrator says: "The Republic of Costa Rica has not the right of navigation of the River San Juan with vessels of war, but she may navigate the river with such vessels of the revenue service as may be related to and connected with her enjoyment of the purposes of commerce accorded to her in said article 6 or as may be necessary to the protection of said enjoyment."

And to safeguard this right from encroachment by Nicaragua was the object of finding 9, by virtue of which Costa Rica "can deny to the Republic of Nicaragua the right of deviating the waters of the River San Juan in case such deviation will result in the destruction or serious impairment of the navigation of the said river, or any of its branches, at any point where Costa Rica is entitled to navigate the same," and holding the same to be a natural right in the light of the common law and as belonging exclusively to Costa Rica, limits the power of Nicaragua in specific terms from being a party to any grant for an interoceanic canal in any case where the construction thereof will involve an injury to this natural right in Costa Rica, without previous consultation with her upon the subject, without her voluntary consent thereto, and without the recognition of her right of compensation for any concessions she may be willing to make in the premises.

The liberty and right of navigation and commerce, then, which Costa Rica possesses upon so much of the waters of the River San Juan as "lies more than 3 English miles below Castillo Viejo" is without question paramount to all other rights under consideration to the same extent as that sanctioned by the English and American courts and as recognized by the Congress of the United States over the navigable rivers within their jurisdiction. (See American and English Encyclopedia of Law, vol. 16, p. 260, and cases there cited.)

To give practical effect to this award, a third treaty was concluded between Costa Rica and Nicaragua on the 27th day of March, 1896, whereby the contracting parties agreed each to name a commission composed of two engineers or surveyors for the purpose of properly tracing and marking the boundary lines between them pursuant to the award, and for the appointment of a third engineer by the President of the United States clothed with the power to decide any question of difference that might arise between the two said commissions in conducting said survey, and whose decision should be final as to the same.

The engineer appointed by President Cleveland was Gen. E. P. Alexander, an American, learned and distinguished in his profession, who fulfilled with great care the duty assigned him, as is evidenced by his exhaustive report to the Commission of Limits of Costa Rica and Nicaragua of September 30, 1897. (See House Documents, vol. 1, 55th Cong., 2d sess., 1897 to 1898.)

It may be said by way of illustration that the territorial relations of Costa Rica to the south bank of the San Juan River is analogous to that of the United States to the south bank of the River St. Lawrence.

The Government of the United States holds the reciprocal right and liberty of commerce and navigation upon the St. Lawrence and the intervening lakes in the interest of peace under treaties of long standing with Great Britain.

By muniments not less binding and defensible Costa Rica holds a corresponding reciprocal liberty and right of commerce and navigation with Nicaragua upon the waters of the San Juan, qualified only as provided in the second clause of the award.

It is not necessary to comment upon the attitude that the United States Government or Great Britain would assume toward each other if their said treaty rights were not mutually respected.

It is important to note in this connection that the action taken in 1851 by Mr. Webster as Secretary of State in relation to the "American Atlantic and Pacific Canal Co." has been observed as a rule of action by that department until the advent of the present treaty convention with Nicaragua now pending before the Senate.

It is equally important to note the good faith which has been observed by the Government toward this award up to the present time, touching any negotiation for obtaining this canal property. This good faith was manifested by President Harrison in his message of December 9, 1891, in which he says: "Grave complications for a time seemed imminent in view of supposed conflict of jurisdiction between Nicaragua and Costa Rica in regard to the accessory privileges to be conceded by the latter Republic toward the construction or work on the San Juan River, of which the right bank is Costa Rican territory. I am happy to learn that a friendly arrangement has been effected between the two nations."

Again, it was manifested through the action of Mr. Hay as Secretary of State in procuring the protocols of agreements between the Governments of the United States, Nicaragua, and Costa Rica of December 1, 1900, as the basis of negotiations for the acquisition of this property and naming the amount of compensation to be paid to each for the same.

(See House Documents, vol. 110, 57th Cong., 1st sess., 1901-2, pp. 23-25.)

Again, as appears in the act of June 28, 1902, entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans," wherein Congress shaped its provisions, so far as it related to the acquisition of the Nicaraguan Canal property, upon the lines of the award and as a unit of ownership.

(U. S. Stat., vol. 2, pt. 1, sec. 4, p. 482.)

Against the approval of the pending convention the Government of Costa Rica, through her accredited minister, in April, 1913, made her remonstrance to the Department of State, according to the custom of nations in such cases, upon good and substantial grounds, as appears from the same now on file in the archives of the State Department, and deemed worthy of the consideration of the Senate, in which she especially complains that this convention was negotiated with Nicaragua without her knowledge, or without imparting to her its nature or its provisions; that the knowledge of its terms, so far as it affects her rights, came through indirect sources and not from the Government of Nicaragua, as it should have done, and therein praying for a hearing and an investigation by that department of her rights as presented in said remonstrance, which was denied to her, and as a last resort she therefore comes to the Senate, where the treaty-making power is supreme under the Constitution, to renew her remonstrance against the ratification of this convention. She comes not under the surveillance of this or any other Government. No battleships are required to patrol her shores or ports to enforce contracts or treaty obligations. No foreign marines to occupy her territory and regulate by force her internal affairs. She comes, on the contrary, as a free, independent, and self-governing sister Republic to make this protest, confident in the belief that she will receive upon the merits of her cause the same consideration as if she were of equal rank and power with the Government of the United States. She comes not as an obstructionist to any reciprocal measures or policies that the United States Government may desire to enter upon and promote in full regard and respect for the honor and rights of independent States and the common welfare of herself and the people of the States of Central America.

The pulsations of this great artery of international commerce, if constructed and put in operation, will not be confined to the Republics of Costa Rica and Nicaragua alone, but go as well to stimulate the commerce and growth of all the States of Central America.

The distinguished arbitrator says in his award in finding 10 of the third clause "that the Republic of Nicaragua remains bound not to make any grant for canal purposes across her territory without first asking the opinion of the Republic of Costa Rica, as provided in article 8 of the treaty of limits of the 5th day of April, 1858."

This inhibition upon the granting power of Nicaragua grew out of the fact that the arbitrator had ascertained from the evidence before him in the case, as the fact is, that the property interests of the two Republics were so distributed, ramified, and intermixed throughout the territory and navigable waters of the canal route as to absolutely preclude any grant by Nicaragua alone "for canal purposes across her territory" without affecting the natural rights in lands and navigable waters and other rights pertaining thereto of Costa Rica, of which she was in actual possession and exclusive ownership.

The well-known purpose of this convention so far as it affects the rights and interests of the Nicaraguan Canal problem is not withheld from the public knowledge. It is well-known to the public that its purpose is not to construct and operate the canal, but to tie up in the strong hands of the Government of the United States its absolute control that it may not be utilized by any other interest in competition with the Panama Canal.

It is no more nor less than an attempt to effect this purpose through a convention with Nicaragua alone, negotiated with her, if not under duress, at least in the constructive presence of hostile military forces of the United States then occupying her territory, and by what amounts in law to an usurpation of the rights and interests of Costa Rica in the canal. In the light of the award it is no more nor less than a stroke of arbitrary power on the part of the American Government.

The Senate, we think, may well pause at this juncture of affairs to measure its evil effect, if consummated, upon the people of Costa Rica and of the States of Central America, and not less upon the vast American interests already established therein and dependent for their continued prosperity upon the amity and good will of these peoples.

The situation now before the Senate, as it may be briefly summarized, is as follows: At the Capitol of the Republic of Costa Rica has been erected a stately temple under the joint auspices of this Government and the Republics of Central America, within whose courts the Goddess of Peace holds the scepter. This was done to solidify and give permanent effect to the preexisting policy of peace and amity between these nations as a tribunal of civil procedure in the adjustment of controversies that might lead to war.

To the honor of Costa Rica, this sentiment has been kept alive through the administrations of the six distinguished citizens now living who have served the Republic as president in constitutional succession, and is still faithfully cherished and maintained by the present able and illustrious executive of that Republic, Don Alfredo González.

It was this sentiment that inspired the confidence of Costa Rica and Nicaragua in this Government to invoke its mediation, through President Cleveland, to secure a settlement of their pending contentions in a mutual bond of everlasting peace.

To ratify this treaty in disregard of the rights of Costa Rica would be in violation of this pledged faith, and would inevitably reopen with increased fury the old feuds and put the Republic of Costa Rica upon the offensive and the defensive in the maintenance of her rights as "nominated in the bond."

All of which is respectfully submitted.

JOHN N. POPHAM,
GEORGE C. HAZELTON,
Representing the American Business
Interests in the Republic of Costa Rica.

WASHINGTON, D. C., January 19, 1915.

FOREIGN NATIONAL-DEFENSE SYSTEM (S. DOC. NO. 796).

Mr. CHAMBERLAIN. I present three papers, the first relating to the officers training corps of Great Britain, the second being on the Australian system of national defense, and the other the national-defense system of Switzerland. I ask that the three papers be printed as one document.

The VICE PRESIDENT. Without objection, it is so ordered.

THE MERCHANT MARINE.

Mr. WALSH. Mr. President, I desire to give notice that on Thursday, January 28, 1915, I shall address the Senate on the unfinished business, and with particular reference to the question of the transfer of the flag from belligerent to neutral vessels.

DISTRICT EXCISE BOARD.

Mr. HITCHCOCK. I ask to be relieved from service upon the special committee appointed by the Vice President to investigate conditions in the District of Columbia with reference to the action of the excise board.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

ANILINE-COLOR INDUSTRY.

Mr. POMERENE. I ask unanimous consent that the Chair may lay before the Senate Senate resolution 520.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which is Senate bill 6856. The Senator from Ohio asks unanimous consent that the Chair may lay before the Senate Senate resolution 520. Is there objection?

Mr. JONES. Let it be read.

Mr. FLETCHER. I do not object if—

Mr. POMERENE. It is simply a resolution calling on the Secretary of Commerce for certain information.

Mr. FLETCHER. I do not desire to have it displace the unfinished business.

The VICE PRESIDENT. The unfinished business was laid before the Senate at 1 o'clock, and it is now before the Senate. The Senator from Ohio asks unanimous consent for the present consideration of a resolution.

Mr. GALLINGER. Let it be read.

The VICE PRESIDENT. The Secretary will read the resolution, and the Chair will see if there is objection to its consideration.

The Secretary read Senate resolution 520, submitted by Mr. POMERENE on the 14th instant, as follows:

Resolved, That the Secretary of Commerce be, and he is hereby, directed to inform the Senate as fully as possible as to the facts relating to the supply of dyestuffs for American textile and other industries, the sources of such supply, the extent and nature of the supply, the movement of prices, the available materials for the manufacture of such supplies in this country, the possibilities, if any, as to the stoppage of such supply by reason of the existing European war, and any and all such other facts as will bring the existing conditions in the aniline color industry fully to the knowledge of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. STONE. Mr. President, a parliamentary inquiry. Does the consideration of the resolution displace the unfinished business?

Mr. GALLINGER and Mr. SMOOT. Oh, no.

The VICE PRESIDENT. No. Is there any objection to the consideration of the resolution? The Chair hears none. The question is on agreeing to the resolution.

The resolution was agreed to.

THE SENATE MANUAL.

Mr. OVERMAN. I ask unanimous consent to have a resolution considered which is familiar to everyone in the Senate.

The VICE PRESIDENT. It will be read.

The Secretary read the resolution, as follows:

Resolved, That the Committee on Rules be instructed to prepare a new edition of the Senate Manual, and that there be printed 4,000 copies of the same for the use of the committee, of which 250 copies shall be bound in full morocco and tagged as to contents.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

Mr. SMOOT. I should like to ask the Senator from North Carolina if there is any necessity for that at this time?

Mr. OVERMAN. We are putting out a new edition of the manual now, and we want to have authorization for it. If we do not have the authorization, we can not get it out until the next Congress. This is the customary resolution which has been introduced here for 20 years.

Mr. SMOOT. I have always thought that in the past we printed too many editions of the manual. I do not see why we should print a new edition for this session.

Mr. FLETCHER. I call for the regular order.

The VICE PRESIDENT. There is objection to the consideration of the resolution, and the unfinished business is before the Senate.

THE MERCHANT MARINE.

Mr. FLETCHER. As directed by the Committee on Commerce, I ask leave to withdraw the amendment in the nature of a substitute to Senate bill 6856, the ship-purchase bill, presented on January 6, 1915, and to offer the amendment in the nature of a substitute for the original bill and all amendments heretofore reported thereto from the Committee on Commerce, which I send to the desk.

The VICE PRESIDENT. The Senator has the right and the amendment will be received, printed, and ordered to lie on the table.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Massachusetts [Mr. LODGE] to the original bill, and the Senator from New Hampshire [Mr. GALLINGER] is entitled to the floor.

Mr. GALLINGER. Mr. President, I have been carrying around with me for several days some valuable thoughts on the pending bill hoping that I would have an opportunity to present them, but apparently there has been a disposition on the other side of the Chamber to keep me from doing so. On Saturday last a recess was taken covering the entire day, so as to permit our Democratic friends to hold a caucus, and this morning a great deal of extraneous matter has been submitted which has consumed two hours of valuable time.

Mr. President, in view of the apparent purpose of the Democratic majority to make it appear to the country that they are deeply solicitous to rehabilitate the American merchant marine, and that the bill under consideration is designed to accomplish that purpose, I beg to call attention to certain votes which have been taken in the Senate on the subject during the past 10 years. In addition to the instances that I shall cite, other efforts have been made by the Republicans to secure legislation on the subject which were either defeated in the Senate by Democratic votes or in the other House by a solid Democratic vote and the votes of a few Republicans from the Middle West. The votes to which I wish to call attention are the following:

Senate bill 3739, passed the Senate July 12, 1890. The yeas were 28, the nays 16; Republicans, yeas, 27; nays, 1; Democrats, yeas, 1; nays, 15.

Senate bill 1348, passed the Senate March 17, 1902; yeas, 42; nays, 31. Republicans, yeas, 41; nays, 8; Democrats, yeas, 1; nays, 22; Populists, nays, 1.

Senate bill 529 passed the Senate February 14, 1906. Yeas 38, nays 27; Republicans, yeas 38, nays 6; Democrats, yeas 0, nays 21.

Senate bill 28 passed the Senate March 20, 1908, upon which there was no roll call, the Senate by a viva voce vote voting unanimously for the bill, which failed in the other House.

Senate bill 6708 passed the Senate February 2, 1911, yeas 39, nays 39. Republicans, yeas 39, nays 13; Democrats, yeas 0, nays 26. The Vice President voted in the affirmative and the bill was passed.

On another occasion a bill passed the Senate, was slightly amended in the House of Representatives, and the amended bill returned to the Senate. An effort was made to agree to the House amendments, but the bill was filibustered to death by Democratic Senators.

At a later date Mr. President, I may present some data relating to the matter of so-called filibustering in the Senate, which has been discussed more or less during the past few days.

Since I came into the Senate this morning I have had placed on my table an amendment in the nature of a substitute for the bill which we are now considering. It is marked "Confidential," but I believe it is the same amendment the Senator from Florida [Mr. FLETCHER] submitted an hour ago, having withdrawn all amendments which had been previously offered. So, as I understand the matter, this amendment is now the bill of the majority, and it is to be considered as the committee bill.

Owing to the fact that this substitute amendment has been submitted this morning, which I believe is the third or fourth substitute that has come from the committee during the time we have been debating this measure, it occurs to me it has been a very fortunate circumstance for the majority that we have insisted upon full and free debate on this great question, because, Mr. President, if we had been forced into a vote at any time prior to the present moment we would have been voting upon a measure that the Democratic majority does not now sanction. For that reason the minority has rendered not only the country, but the majority of this body, a real service in insisting that this matter should be fully debated before action was taken upon it. We have given them opportunity to reconstruct their bill several times.

I repeat, Mr. President, in view of that fact the minority have rendered the majority a real service in debating this bill until they could have time in their various caucuses to give this matter the consideration which has at last resulted in the substitute that is now before us.

In glancing over this new bill I notice two or three things that are of interest. I will merely call attention to them at the present time in a word, possibly taking them up later on when we have progressed further in this debate, and then consider them at greater length.

In the last session, Mr. President, the American merchant marine over seas having been practically wiped from the oceans of the world, foreign nations having taken control of the commerce of the seas to the practical exclusion of American shipping, certain Senators were very anxious that those foreign vessels should be put into the coastwise service of the United States so that that magnificent fleet of coastwise steamers which has been built up by private enterprise and by private energy and by private capital should have as competitors the fleets of the other great maritime nations of the world. That matter was discussed at length. When a vote was taken the proposition was defeated by a vote of 2 to 1. It is now proposed in this new draft that the ships which are to be built under the provisions of this law shall be put into the coastwise service of the United States. In other words, Mr. President, defeated in their purpose to open the coastwise shipping to foreign nations, they now propose to get the camel's nose into the tent by admitting into the coastwise service these vessels which are to be built ostensibly for the foreign commerce of our country. It is a dangerous proposition and one, Mr. President, that I feel sure will be resisted with a great deal of force and energy on this side of the Chamber.

They have also reconstructed the shipping board, and in that respect I think they have acted wisely. I am glad that the minority of the Senate gave them an opportunity to do this, listening as they doubtless have to the protests of the press and the utterances of public men against putting the shipping of the United States into the hands of three cabinet officers, making it a political machine, as the Reserve Board has been made a political machine by the present administration and the majority in Congress.

They propose to do another somewhat remarkable thing in this bill. Turning to page 7, I read:

All rules and regulations relating to or which affect shipping, navigation, or water-borne commerce of the United States, heretofore made or published, by authority of law, shall only be and remain in force until midnight on the 31st day of December, 1915, and by proclamation of the President shall cease to have any force or validity at any prior date when new shipping rules and regulations shall as provided hereby take the place of those now in existence.

The Shipping Board herein provided for shall propose such rules and regulations applicable to the shipping and water-borne commerce of the United States in lieu of those now in force and covering matters of like character as they may determine suited to the present needs of such shipping and commerce, which, when approved by the President and published, shall apply and become of full force and effect in lieu of such rules and regulations as are now applicable thereto. In the rules and regulations hereby authorized to be adopted and put into force different classes of shipping, navigation, and water-borne commerce may be appropriately and differently treated and provided for. Such rules and regulations when promulgated may be modified, changed, or amended by the Shipping Board.

It will be observed, Mr. President, by the language of the bill itself that the rules and regulations which it is proposed to modify and annul were adopted by authority of law. But it is now proposed to throw them aside and give this Shipping Board authority to make rules and regulations governing the commerce of the United States.

Mr. NORRIS. Mr. President—

Mr. GALLINGER. I yield to the Senator from Nebraska.

Mr. NORRIS. That particular provision of the new substitute just offered attracted my attention this morning when I read it. I should like to have the Senator, if it will not divert him from his line of argument, to explain briefly the present shipping rules, stating what are the principal objects, and so forth. It is a subject which was not touched on, as I remember it, in the prior substitutes of this bill. Some of us do not understand just exactly what is the object of this particular new section of this substitute.

Mr. GALLINGER. Mr. President, that matter will be discussed by me, and doubtless it will be discussed by other Senators a little later on. It is impossible for me off-hand to give the rules and regulations that are now in vogue and which have been enacted by authority of law. I shall take occasion, as I had intended to do, to call upon the department to supply me with all those rules and regulations as they now exist, and when they are before me I shall see that they are presented to the Senate. They will then become a proper subject of discussion and we shall be able to determine whether or not it is wise in this bill to annul all those rules and regulations and put in a shipping board authority to make other rules and regulations. I do not know how serious the matter is, and I call attention to it to-day simply in passing as a question that may be of very great importance and one that ought to be looked into very carefully before it is agreed to.

Mr. SAULSBURY. Mr. President—

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from New Hampshire yield to the Senator from Delaware?

Mr. GALLINGER. I yield to the Senator.

Mr. SAULSBURY. I desire to say, regarding the provision which is referred to by the Senator from New Hampshire, that I am rather glad I am able to assume responsibility for fathering that provision of the bill. I had assumed that the Senator from New Hampshire would be in hearty accord with an effort which I might make to reconsider and revise the present shipping rules and regulations. Though my service in this body does not entitle me to speak with certainty, I understand that the Senator from New Hampshire has been most earnest in his efforts to provide for a reconsideration and a revision of all our shipping laws, as well as the rules and regulations which have been made by various bureaus, located in Washington chiefly, under the authority of existing laws.

The provision to which the Senator has referred, and of which I can not now tell whether he approves or disapproves, I believe will be one of the great means of reforming the system under which we are now living. There are laws regarding our shipping and there are rules and regulations made pursuant to laws by certain officers of various bureaus. It is the object of this provision, so far as those rules and regulations now apply, to force a reconsideration by a body of men who will reconsider them and promulgate new rules in lieu of them, or, if they consider them good, readopt the existing rules, so that our shipping and navigation laws may be up-to-date and not obsolete, preventing a great deal of commerce, when by a change in a very few simple matters there might be a considerable increase in commerce.

I think upon consideration the Senator from New Hampshire will agree with me that a provision of this character is very

desirable. I shall try at some future time during the debate to give instances with which I imagine the Senator from New Hampshire may be familiar where the present rules and regulations militate against the shipping of the United States, particularly our coastwise shipping.

Mr. STONE. Mr. President, I rise to a parliamentary question.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. STONE. I will ask the question of the Senator from New Hampshire. Does he consider the interruption he permitted by the Senator from Delaware to have been made to ask a question or to make a speech?

Mr. GALLINGER. The Vice President yesterday ruled that an interruption of this kind might be allowed without imperiling the right of a Senator having the floor to continue. I presumed that that was understood. It certainly is in accordance with the custom that has always heretofore prevailed in the Senate.

I will say in reply to the Senator from Delaware that I have not been in any propaganda nor have I been over-anxious to have the navigation laws of the United States entirely overhauled. I have thought that there were some laws relating to navigation that might well be amended and perhaps some of them might well be stricken from the statute books. As to the rules and regulations I am not prepared to speak with any degree of authority or with any degree of knowledge. I notice that they were enacted, according to the amendment, by authority of law. I observe that now without authority of law we are to have a new set of rules and regulations made by a board. It may be wise. I say frankly to the Senator from Delaware that I shall certainly be delighted to hear him on that subject, and I will endeavor to acquaint myself with the facts before I come to vote upon the proposition.

I do not want the Senator from Delaware to think that I am in unyielding opposition to the proposition, because I am not. I simply called attention to it as apparently a radical departure from existing conditions, and for that reason it occurred to me that we might well pause before committing ourselves to it, and give it careful consideration, with a view to taking enlightened action when we came to cast our votes.

Mr. ROOT and Mr. SAULSBURY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and to whom?

Mr. GALLINGER. I yield first to the Senator from Delaware.

Mr. SAULSBURY. I wanted simply to correct an apparent misapprehension into which the Senator falls. The rules and regulations, of course, which are referred to in this section are those which have been adopted under existing laws. If this amendment shall pass, and the shipping board be given authority, of course the shipping board will have the same authority to adopt new rules that the former officers had to adopt the existing ones.

Mr. GALLINGER. I understand the matter. I now yield to the Senator from New York.

Mr. ROOT. Mr. President, I want to make a suggestion at this point which it occurs to me may be useful in the future. I can put it in the form of a question if it is considered necessary, but I shall not trouble to do that unless it is deemed necessary. It is this: This new provision, which, of course, none of us who are not caucus members have had an opportunity really to consider, and which has been presented here this morning, vests in the shipping board the power to make regulations. The bill also vests in the shipping board power to carry on business through a corporation. If the establishment of that new business through the shipping board is not to drive out all other American merchant marine, there will then be competition between the business carried on by the shipping board through this District of Columbia corporation and the business carried on in private enterprise by owners of American ships, and we ought to be pretty careful before we put into the power of one competitor the making of rules that are going to govern the other competitors. There ought to be a very definite statement of what is to be the scope of the quite indefinite authority that is proposed to be given by this new provision.

Mr. GALLINGER. I fully agree with the Senator from New York on that point.

Passing from that question, I venture to suggest, Mr. President, that the remarkably able and persuasive argument made by the senior Senator from New York [Mr. Root], one of the ablest jurists of the land, on yesterday, might well have concluded this discussion, but evidently the proponents of the bill are still intent upon pressing it, without reference to its con-

sequences upon either national or international interests. As a consequence those of us who see grave peril in this proposed legislation must continue the discussion, to which I will now endeavor to make a contribution, even if what I say or the manner in which I say it may not meet the approval of the Senator from Mississippi [Mr. WILLIAMS], the Senator from Missouri [Mr. STONE], or the Senator from Indiana [Mr. KERN].

First, I would like to ask when a perfected bill, representing the views of the majority, may be expected?

Mr. President, I wrote that on yesterday, and I presume the answer would be that I have a perfected bill now before me. I am glad that after this long period of incubation the majority has presented what they doubtless regard as a perfected bill—perfected until the next draft is presented to the Senate.

The truth is, we are having a moving-picture exhibition day by day, the screen each morning displaying a different view from the one we looked on the day before. When will this kaleidoscopic performance cease so that we may know what kind of a bill the majority stands for? As already suggested, the third edition of the bill proposes to put these ships built for the foreign trade into the domestic trade—a new and dangerous proposition.

I would also like to ask what routes are contemplated beside those to Central and South America? What are the "and elsewhere" routes? Are they to be across the North Atlantic, across the Pacific Ocean, or where? We are entitled to know, and we ought to know precisely what is contemplated in that respect.

We are also entitled to know why the appropriation bills—the supply bills of the Government—should not now be taken up and considered. One great appropriation bill is now ready to be reported and others are practically ready. Why are those bills held back? What is the purpose of the majority in this respect?

I trust, Mr. President, that it may not become necessary for Senators from time to time to move to discharge the Committee on Appropriations from the further consideration of appropriation bills, so as to pass them before this session ends.

I was gratified to observe, by an observation from the Chair yesterday morning, that questions such as I suggest may be propounded and answered without the Senator propounding them losing the floor, as had been heretofore hinted would be the result. This gives us hope that after all we may have some debate on this bill before the physical powers of the minority are worn out by long hours and unusual legislative procedure.

It is only natural that there should be some speculation as to the reason why so strong an attempt should be made to force this bill through Congress. The mere fact that the President declared himself in favor of the proposition—apparently before he had fully considered it—furnishes no reason why he should refuse now to change his position and insist on having his way. This seems especially so in view of the President's attitude at the time he was urging Congress to reverse itself by repealing the provision of the Panama Canal act exempting American coastwise vessels from payment of tolls. In his message at that time the President said:

The large thing to do is the only thing we can afford to do, a voluntary withdrawal from a position everywhere questioned and misunderstood.

The present instance seems to afford a splendid opportunity for the President to practice what he preaches, and that, too, without repudiating a plank in the Democratic national platform.

The Senator from New York has eloquently registered his protest against the methods being employed in this body. But we are not alone in this. The newspapers of the country are protesting and the people of the country are loudly protesting against it. Here is an illustration which has come to my personal attention. A distinguished Democratic Member of the House of Representatives in conversation on Saturday last said:

Never in the history of the world has there been an organization or any body of men so weary, worn, and so completely spent as this present Congress of ours.

Never in the history of our country or in that of any country under the sun have the people been so tired, disgusted, and sick of the doings of any legislative body as are our people in this country right this minute.

We are worn and weary, thoroughly fagged. We are irritable among ourselves, and we can not legislate properly, even if there were any need whatever for further legislation. The people for whom we are assuming to legislate want nothing further forced upon them. They are sick of us. We are all pretty tired, but we must go on.

I wonder why we must go on?

What I have quoted recalls the nine days' bloody fight in Mexico City when the then President was importuned by

his cabinet and advisers to resign, as other countries were threatening to intervene and stop the orgy, and Mexico would lose her independence. Mad Madero returned the answer:

The spirits of Bonaparte and Cromwell are directing me, and they say "fight on"—so I say "fight on." We will fight on until not a stone is left in Mexico City and until every Mexican soldier lies dead.

So they fought on, as the administration is fighting on, and heaven only knows what the result will be either in Mexico or here. Again I ask why not pass the appropriation bills and stop? Why must we continue to go on considering this bill? The legislative judgment is against it. Why not follow our convictions on the subject?

Mr. President, our Democratic friends keep us absolutely in the dark as to what has been going on in their daily and nightly caucuses, and as a result we must look to the enterprising representatives of the press for information. Turning to the Washington Post of a few days ago I find on the front page an article with the following headlines:

PLEADED BY CAUCUS—SENATE DEMOCRATS ENTER PACT TO STAND BY SHIP BILL—HALF A DOZEN UNYIELDING—FIGHT OVER LEGISLATION LIKELY TO BE THE BITTEREST IN YEARS—ADMINISTRATION HAS DECIDED TO THROW OVER ALL THE APPROPRIATION BILLS IN ORDER TO DRIVE SHIP-PURCHASING MEASURE THROUGH—REPUBLICANS STAND READY TO EMBARRASS WHENEVER POSSIBLE—KEEN CONFIDENT OF VICTORY.

The article, for the absolute correctness of which I do not vouch, reads as follows:

By a vote of 37 to 3, Senate Democrats in the caucus yesterday made the administration ship-purchase bill a party measure and passed a resolution binding every Democrat to its support. Senators HOKE SMITH of Georgia, BRYAN of Florida, and THOMAS of Colorado voted against the resolution, but after being defeated joined in to make the action unanimous.

The resolution was offered by Senator FLETCHER. It provides, first, that it is the sense of the caucus that the ship-purchase bill shall be enacted into law; second, that it shall be made and kept the unfinished business of the Senate until concluded; third, that the Democratic Members of the Senate hereby pledge their full support to the measure.

The vote cast for this resolution was more than two-thirds the majority membership in the Senate. Several years ago the Democratic caucus, under the leadership of former Senator Blackburn of Kentucky, decided that a two-thirds vote in caucus was binding upon every member of the party. That action has never been set aside.

While administration leaders assert that no Democrat can vote against this bill and escape the charge of bolting his party, it is understood the following Democrats will not support it unless materially amended:

I omit the names of those Democratic Senators, and continue to quote:

Senator VARDAMAN said last night that no caucus action could bind him to support a bill in which he did not believe. Senator HARDWICK said he would not be bound by the caucus action, having made a promise to his constituency against Government ownership. He will fight the measure on the floor, and his skill as a parliamentarian is counted on by the opponents of the bill.

The newspaper article then gives the names of certain Senators on the Republican side who will support the bill and also the denial of Republican Senators that more than one of the minority will vote for the measure. The article then proceeds to say:

An important amendment agreed to yesterday accomplished in a measure what was unsuccessfully attempted in the Panama Canal Act. This amendment will permit any ship built in the United States under the provisions of this act for the over-seas trade to also engage in the coastwise trade.

It will be observed, Mr. President, that this enterprising newspaper man several days ago had definite information as to what was to be presented this morning in the shape of the amendment in the nature of a substitute for the pending bill. The article continues:

This amendment * * * was offered to section 5 of the bill which prohibits foreign ships acquired from engaging in the trade with Porto Rico, Hawaii, the Philippines, Guam, and Tutuila.

To the extent, at least, of opening the coastwise trade to ships hereafter built in this country, regardless of their intended use in ocean commerce, the caucus by this amendment has struck at what Democrats have always characterized as the "coastwise shipping monopoly." The only opposition grew out of the fact that the present emergency related to our foreign trade and not coastwise, and the fear that the adoption of this amendment might bring the coastwise trade shipping lobby into the fight against the measure. It was agreed to, however, without serious opposition.

As perfected in caucus, the bill provides for a shipping board to consist of the Secretary of the Treasury, the Secretary of Commerce, and three civilians, to be appointed by the President, with the consent of the Senate.

Again, Mr. President, that shows how accurate this enterprising newspaper man was in getting the proceedings of the Democratic caucus on this great question.

The only other amendments to the original bill of material nature was one to incorporate the proposed ship corporation under the laws of the District of Columbia, and another to provide that the original capital stock of \$10,000,000 can be increased at any time only to the extent of \$10,000,000 more.

All indications now point to the most determined and relentless battle waged over an important piece of national legislation since the Aldrich-Vreeland currency act was adopted.

It will be remembered, Mr. President, that that filibuster against the Aldrich-Vreeland currency act was carried on by the Senators on the other side of the Chamber and not by Republican Senators; and it was a filibuster that has had few parallels in the history of our country.

The administration has decided to throw overboard all the appropriation bills and permit them to become flotsam and jetsam on the congressional seas in order to drive the ship purchase bill safely into port. Republican opponents will attempt to embarrass Democrats by urging the passage of measures in which the proponents of the bill are deeply interested, such as the river and harbor bill and the war-claims bill.

There are two bills that are very dear to the Democratic heart. Just think of how the mail of the senior Senator from North Carolina [Mr. SIMMONS] must be burdened with demands upon him to put through appropriations for the rivers and creeks of that State. Just think how the Senators from North Carolina, South Carolina, Tennessee, Georgia, Kentucky, and other Southern States must be importuned at the present time to pass the so-called omnibus claims bill appropriating money almost exclusively for those States.

The article from which I have been reading, and which is so illuminating and authentic, because it foreshadowed exactly what the committee has done, continues:

Sessions of the Senate lasting eight and ten hours will be resorted to before long to "expedite" passage of the bill. Finally, as a last resort, the device of a continuous session will be tried in order to exhaust the filibusters.

"We shall keep the bill before the Senate until it is passed," said Senator KERN, chairman of the caucus. "There is no disposition to displace it with any appropriation legislation. We will urge it as rapidly as possible, giving every opportunity for discussion. Whether we shall hold night sessions or continuous sessions has not been determined. Much will depend on the future course of the opposition."

Here are the grounds on which the opposition is conducting this fight:

That the bill is the opening wedge of Government ownership.

That, Mr. President, is largely the ground upon which I am opposing this bill and which I will discuss when I reach it.

That it is socialistic and may lead to Government control of other instruments of trade and industry.

Of course it will; that is the purpose of it.

That it threatens serious international complications because of the administration's anticipated purpose to buy ships of belligerent nations and enter them in the foreign trade during the present European war.

The country believes that, whether the majority of this body believes it or not, the economists of the country believe it; the newspapers of the country believe it; and I shall show that there is a protest, loud and deep, against our taking any chances in the purchase of belligerent ships during the terrible war in Europe that may drag us into war with one or the other of those nations at some time.

That there is no necessity for the Government buying ships to put them in the South American trade, since there are more ships now plying on these trade routes than are sufficient to accommodate the business offered.

I will endeavor to show, Mr. President, at the proper time, that so far as present commerce is concerned, there is an abundance of ships plying between the United States and Central and South America. I am in favor, however, of legislation that will enable the Government to put some fast mail ships on those routes, a proposition for which I have argued in season and out of season during the past 10 years, and which I think, after the war closes, if not before, would be exceedingly wise and beneficial legislation. The article concludes:

That for the Government to purchase ships will paralyze existing shipping corporations, since they will be unable to compete with the Government on any route which the Government enters.

Of course, that will result. No private party can compete with the Government with the funds of the National Treasury at its command, and with \$40,000,000 in this bill, with which to make a commencement, what private individual or what private corporation will undertake to compete with the Government on any route that may be selected if this bill shall pass?

Mr. President, I approach the discussion of this question with some trepidation, for has it not been said from the "seats of the mighty" that those of us who oppose this bill are either misguided, blind, or ignorant; and has it not been further said, that no matter what position the ignorant minority of this body may take the bill is to be passed? And has it not also been said that we have the temerity to oppose this bill without going to the other end of the avenue, and telling the head of a coordinate branch of the Government why we dare do such a thing? Probably the President thinks, in the language that has recently been incorporated in a bill which passed this body, that most of us are suffering from "constitutional psychopathic inferiority," or something of that kind.

But, Mr. President, notwithstanding the suggested inhibition of individual thought and independent action on this great

question, I propose to deal with it as I think best, unhampered by the views of others, and undismayed by the criticisms of those in high authority.

We are asked where we get our credentials to stand in the way of the proposed legislation, and we answer that we get them from the same source that elected President Wilson to make recommendations to the Congress, and to administer the laws, but not to dictate legislation. Where is the clause of the Constitution to be found that takes from the Congress the freedom of legislative action, the right to amend or reject bills, or the right to originate legislation without let or hindrance? It is well that this should be understood. That it has been lost sight of to a large extent is no excuse for its continuance.

Verily, Mr. President, we have fallen on strange times if the voice of the minority is to be stilled by either Executive declaration or manifesto from the majority. Others may subscribe to that doctrine, others may agree to the charge that the Republican Party has not had an idea in 30 years, but for myself I repudiate it. The history of the Republican Party for the last 30 years is replete with splendid achievements and magnificent results, and the Republican Party will soon return to the power that was temporarily wrested from it by conditions that do not exist to-day. The one great legislative achievement that the Republican Party failed to accomplish was the enactment of a law that would have put American ships on the great overseas routes of trade; and that failure was almost entirely due to Democratic filibustering. The senior Senator from Missouri, lifting his eyes and assuming an attitude of reverential distress has told the Senate that he has already seen indications of filibustering on this bill, but the Senator from Missouri has not to look far back in the past to discover real and successful filibustering on another merchant marine bill, which procedure received the approval of the Senator from Missouri, if, indeed, it did not receive his valuable and influential support. Probably the Senator from Missouri has forgotten the day when 39 calls for a quorum were made in the interests of the Democratic minority, using more than one-half of the calendar day in that way, followed by 20 calls on the next day. The Republican majority protested then, but in vain; but now the minority is to be run over rough-shod if the well-known plans of the leaders of the majority prevail.

So, Mr. President, let us be fair with each other. Everybody knows that the bill under consideration is a far-reaching measure, full of doubts and uncertainties. Everybody knows that it proposes to overthrow the traditions and policies of our Government, and venture out upon an untried sea, without chart, compass, or the results of experience to guide us. Private enterprise, private initiative, and private genius are to be supplanted by governmental activities in an experimental field, where profit is impossible and failure a practical certainty. Can it be expected that those of us who do not believe in Government ownership of the means of transportation should sit dumb while what we conceive to be false and disastrous economic theories are being put in operation? Can this be expected of us, even in response to the dictum of the captain of the Democratic team, to use the words of the captain himself?

Mr. President, the great and overwhelming proposition contained in this proposed legislation is that of Government ownership, and to that I propose to address myself at some length. I remember when the great Democratic orator, who had twice been a candidate for the Presidency, returned from a tour around the world, and was greeted by an admiring throng in Madison Square Garden, what a shock he gave to his Democratic hearers when he advocated Government ownership of railroads. You all remember it. From all sides came the declaration that the utterance would bar their great leader from the Presidency. What has since then come over the spirit of the dreams of the Democracy to work this change? Or am I well informed when I say that I do not believe a majority of the proponents of this bill really believe in it, but are being driven by the force of party discipline and Executive power to support it? That may be denied, but nevertheless I believe it to be a fact. The Democratic leader in the White House demands that all Democrats shall work together along the line marked out by him, and he warns his party that unless they work together they are to meet with his disapproval.

As I have said, Mr. President, the most vital and far-reaching point in this discussion is the matter of Government ownership, and it will be my endeavor to show, before taking up the shipping part of the argument, that the proposition is quite generally condemned in the country, and wherever tried has proved anything but a success. Theorists see nothing objectionable in the proposition that the Government shall buy and operate the railroads. To them the fact that the purchase

price would be five or six times as much as all the money in circulation throughout the country is a matter of little consequence. Their vision does not extend beyond the fact that they want the Government to engage in business enterprises to the sure destruction of private enterprise and private capital.

Let me call attention to the storm of disapproval that has burst forth since the proposition to put the Government in the water transportation business of the country has taken shape.

Mr. F. G. R. Gordon, a leading labor representative, delivered an address before the National Civic Federation in New York City last December on the question of Government ownership of telegraph lines, which is so replete with wisdom that I will quote it, although I do so, Mr. President, with a feeling that some Senators will doubtless think that I ought not to consume the time of the Senate in presenting to them the views of this very able labor representative, who is also a well-recognized economist. Mr. Gordon said:

The most common argument made in favor of the socialization of the telegraph and telephone is that under private ownership they are a monopoly, operated for profit, with high rates and poor service, and that by having the Government own and operate them they can become a part of the postal system with large economies in operation, and in turn supply the people with cheaper rates, good service, and higher wages to the men and women who operate the lines, and, lastly, provide a surplus for the Government.

I shall prove just the opposite of all this glittering dream; I shall prove that wherever the telegraph or the telephone have been socialized there is extremely poor service, with large financial losses, low wages for employees, and rates that, on the whole, are fully as high as they are in this country and in many instances higher.

Nearly all the nations of Europe, as well as New Zealand and Australia, own and operate both telegraph and telephone systems and have done so for many years.

The alleged "success" of our Post Office Department is used as an argument for the further extension of the socialization of the means of communication. But as a matter of fact, there are fundamental differences existing between the social function of the post office and the work of the telegraphs and telephones. The mail service is universal; it requires mostly only the simplest character in its operation; its work is to a great extent performed by private common carriers. But, despite its comparative simplicity and ease of operation, our post office has not been a financial success from any standpoint. All the gains, where any have been made, have come from the private-ownership features of that business.

The Hon. DAVID J. LEWIS, author of the bill to nationalize the telephone system, asserts that 1.85 per cent of the business of the post office is franked, and that but for this free transportation and the further fact that 29.24 per cent of the business pays only 5.19 per cent of the revenue, our Post Office Department would have paid an annual profit each year since the Civil War. This is merely a half truth and assumption, and in this case the half truth is pretty bad. In the first place, if that 1.85 per cent of franked mail were not free, three-fourths of it would not be sent through the mails at all, so Mr. Lewis is 75 per cent wrong there. And the same thing is true of at least half of the 29.24 per cent which he says pays 5.19 per cent of the revenue. Congressman Lewis is either not very familiar with these facts, which are self-evident, or he is merely a dreamer of strange dreams. And as for the franking privilege, he ought to know that the Post Office Department is the recipient of large favors from Uncle Sam which rightly are a part of the expense of conducting the business, but which are paid for by the Treasury Department.

The most striking example of this last statement is that the Postal Department does not build or care for the public buildings which it occupies. While the post office does an annual business, on both sides, of about \$600,000,000, it has only five or six million dollars of capitalization for the entire Nation. Even some of the salaries of the staff are paid out of the other departments; the Postmaster General, Assistant Postmaster General, the Assistant Attorney General, and the subsidiary general officials connected with these officials are not paid from the postal revenues. The expenses of this character, as shown by an examination of the appropriation act of March 4, 1913, will amount in 1914 to \$1,913,350. In the appropriations for the Treasury Department we also find that for the office of Auditor for the Post Office there was appropriated for salaries for postal savings system and other expenses the sum of \$766,620, with an additional sum of \$18,000 for the postal savings banks and \$5,000 for the Department of Justice for the Attorney General for the Post Office. This figures up a total of \$2,702,970 of expenses that legitimately belong to the Post Office Department, but which are met by other departments. It is quite pertinent to ask Congressman DAVID J. LEWIS, public-ownership advocate, why he failed to give us this information.

Vastly more important than these expenditures are those for public buildings and their repairs and care. In the 12 months from July 1, 1911, to June 30, 1912, the total cost for public buildings and their care amounted to the great sum of \$22,660,212.85, and at least 75 per cent of this outlay legitimately belonged to the post office, and was paid by the Treasury Department. Keeping in mind the statement of Congressman LEWIS that but for the franking system, etc., the post office would have paid every year since the Civil War, I point to the fact that the entire revenue of the postal system from 1865 to 1913 was \$3,775,838,529, and the total gross expenditure was \$4,055,106,045. This shows a direct loss of \$279,267,516 in these 48 years. The indirect losses were millions more. For instance: The public buildings used exclusively for the post office had cost for construction, sites, and extensions and alterations the sum of \$58,991,738.42 up to June 30, 1912. And other buildings which were jointly used by the post office, customhouse, etc., had cost \$127,080,549.68. If we allow but 75 per cent of this last cost to the postal service, then we have a total up to June 30, 1912, of more than \$153,000,000 as a capital investment which properly belonged to the post office to pay interest upon, though it paid not a cent. The annual interest charge at 4 per cent would amount to \$6,000,000. When Congressman LEWIS was using the post office to bolster up his argument for a socialized telephone he did not give us this very valuable information. Take this interest charge and the cost for salaries paid by other departments which should be paid by the post office, amounting to nearly \$3,000,000, and the care for the public buildings, their extension and repairs, we have a total annual deficit of more than \$14,000,000 on the average for every year

since 1865! Here is a grand total loss of \$672,000,000 in 48 years, and this is what public-ownership advocates call a "success."

Just now these advocates are boasting of the wonderful success of the parcel post. The alleged facts about that much-praised system are simply mere half truths. The mails are weighed once in four years, and the railroads are paid on this basis for the succeeding four years. Nearly every railroad official in the country is complaining of inadequate pay for this service. Some statistics will tell why the postal revenues for 1907 were \$183,585,000 and for 1912 they were \$246,744,000, or an increase of \$63,159,000. The railway mail pay in 1907 was \$51,008,000, and in 1912 it was \$50,703,000. In other words, while the mails were increasing several hundred million pounds the railway mail pay was decreasing. This was before the parcel post was established, January 1, 1913. The service was inaugurated with a weight limit of 11 pounds, and for the first six months the railroads received no compensation whatever for this greatly increased business. On July 1, 1913, all the railroads which did not have a weighing in the spring of 1913 were allowed an increase of 5 per cent for mail transportation. A month later the Postmaster General increased the weight limit to 20 pounds, and on January 1, 1914, a further increase was made. This naturally produced a large increase in the volume of traffic, which the railroads were forced to carry absolutely free. It was estimated that the parcel post would carry 600,000,000 packages for this year (1914), and that it would yield a revenue to the Post Office Department of \$60,000,000. This is how Uncle Sam makes money on the parcel post.

If a shoe manufacturer had free rent and heat for his plant and paid only 75 per cent for the cost of transportation for 100 per cent of service, is there any reason why he should not make a howling success while his competitors all about him were failing? As a matter of fact, the Post Office Department is underpaying the railroads to-day to the extent of from \$20,000,000 to \$30,000,000 annually, and at the same time is losing about \$14,000,000 every year on the average, if we take all the facts into consideration. It's about time that the enthusiasm directed upon blindly lauding the Post Office Department be concentrated upon a constructive effort to overhaul the system and remedy its glaring defects. It is the worst managed big business in this country, and talk of its success simply encourages the growth of the socialistic idea in other lines, and more especially as to railroads, telegraphs, and telephones. Uncle Sam pays the railroads less than 20 per cent of the total expense of the Postal Service, while the British Post Office pays 24 per cent in general and 55 per cent on the parcel-post business.

Fortunately for us, other nations have socialized both telegraph and telephone systems, and therefore comparisons between private and public ownership can be shown. In both Europe and Australia the publicly owned telegraph and telephone has passed far beyond the experimental stage. I propose to show by facts and statistics that Government ownership of these means of communication has resulted in failure. In the first place, let me point out the foolishness of attempting to socialize the telephone and leaving the telegraph under private control. Governments of Europe which had public ownership of the telegraph socialized the telephone just as soon as it was demonstrated that it could carry conversation, for the very reason that they did not dare to face competition, and, likewise, if we are to socialize the telephone we must also own and operate the telegraph, or else suffer a competition that Uncle Sam can not successfully meet. It is assumed by the advocates of public ownership that the telegraph and telephone can be consolidated with the Post Office and thus save large expense in operation. It is, however, the general outcome in the administrations of the several nations of Europe that this does not work out in practice and that the supposed economies do not materialize.

TELEGRAPH RATES COMPARED.

A great deal of loose talk and misstatement has been made regarding rates on the publicly owned telegraph systems of the world. A very important fact in connection with this is that in Europe the address and signature are both counted as a part of the message. Take the telegraph system of Great Britain as an example. It looks like a very cheap service when we hear that a 12-word message is sent over the wires of Great Britain for 12 cents. But if you send a message from London to Liverpool, you will naturally give the city and street address and the names of sender and receiver. This will consume at least 10 words, leaving only 2 for the text, or in reality 6 cents a word, as compared with the method in this country where the address and signature are not counted. The following table shows the different rates in Europe for a 10-word message, with address and signature, allowing 10 words for address, etc.

France.....	\$0. 193
Norway.....	.268
Belgium.....	.116
Sweden.....	.268
New Zealand.....	.200
Great Britain.....	.200
Germany.....	.238
Italy.....	.212
Denmark.....	.268
Austria.....	.244
United States.....	.250 to \$0. 300

The corresponding rates for 10-word messages, allowing 5 words for address and signature, are as follows:

France.....	\$0. 102
Norway.....	.201
Belgium.....	.096
Sweden.....	.201
New Zealand.....	.15
Great Britain.....	.15
Germany.....	.179
Italy.....	.164
Denmark.....	.201
Austria.....	.183

For the preferred rates we find that several countries in Europe actually charge from two to three times higher than we pay in this country, allowing 10 words for addresses and signature. In Germany, for example, the rate is 71.4 cents; in New Zealand it is 40 cents; in Italy, 63.7 cents; in Austria it is 73 cents. In Great Britain there is no urgent rate. Urgent or preferred rates in the United States are on the above basis—25 to 30 cents. Allowing only 5 words for address and signature, the preferred rates for 10 words of text would be: Germany, 53.6 cents; New Zealand, 30 cents; Italy, 49.2 cents; and Austria, 54.9 cents.

With the exception of Russia, all the countries of Europe are small compared with the great territory of this country and Canada. The trade and commerce of Europe may be compared in practice with that of the different States or Provinces of this hemisphere. Thus the international messages all over Europe are numerous, as is natural among more than 300,000,000 people living mostly within 2,000 miles of one another. Twenty-seven per cent of the telegraph messages in France are domestic noncommercial and international inward and transit telegrams; 50 per cent in Norway; 44 in Sweden; 51 in Switzerland; 24 in Germany; 25 in Italy; 40 in Austria; and 10 in Great Britain. An ordinary message of 15 words, which includes the address and signature, sent from Belgium to France costs 35.7 cents, but if the same message be preferred or urgent the cost is \$1.071. The rates from Belgium to Germany are the same. A like message from France to Germany (ordinary) will cost, ordinarily, 43.4 cents; urgent, \$1.303. A 15-word message from Great Britain to France costs 60.6 cents; from Sweden to France, ordinary, 72.4 cents; urgent, \$2.171. From Switzerland to France, or to Germany, the rate is, ordinary, 38.6 cents, and urgent, \$1.153. For the distance from Stockholm to Paris, 1,000 miles, the rate for a 15-word message, address and signature, is 72.4 cents. From New York to Chicago, about the same distance, the rate for a 10-word message, address and signature free, is 50 cents. And this 72.4-cent rate is not far from the average all over Europe. For "urgent" everywhere in Europe the rates are much higher than in this country. Thus we see that in Europe, on the whole, the international rates are double the domestic, and it is the international rates that should be compared with the rates in this country, because the distances are more nearly even.

We should not lose sight of the fact that what is known as "ordinary" service on the socialistic telegraph lines throughout Europe is a service that is so poor, so utterly incompetent, that it would not be tolerated in this country.

Some of us personally know that the system is, as Mr. Gordon well says, so utterly poor and incompetent that it would not be tolerated for a minute in the United States.

The "preferred" service is the only kind that corresponds with the average service on the telegraph lines of this country, and the cost in Europe is very much higher than for the same service in the United States.

Advocates of government ownership of telegraph lines submit tables of rates in Europe which to a considerable extent are misleading, owing to the fact that on messages passing through two countries a single message is counted as two and the cost split; if it passes through three countries, it is made to count for three messages, with a one-third rate. There is no more justification for this "splitting up" of a message than there would be for our counting a message from Smith of Massachusetts to Jones of Pennsylvania as three messages and dividing the cost, making it one-third per message the real rate because it happened to pass through three States.

From Paris to Vienna is about 650 miles, and the cost for a 15-word message is 57.9 cents, as against only 40 cents in this country for the same distance. But Mr. Lewis would divide the message between Paris and Vienna into three and split up the cost, and thus demonstrate that rates are higher here than in Europe.

The following table shows the great difference in the area of this country and the different countries in Europe:

	Area in square miles.	Per cent. of United States.
United States.....	3,026,789	100.0
Austria.....	115,800	3.8
Belgium.....	11,400	.4
Denmark.....	14,800	.5
France.....	207,000	6.8
German Empire.....	208,800	6.9
Great Britain.....	121,400	4.0
Hungary.....	125,600	4.1
Italy.....	110,700	3.7
Netherlands.....	12,600	.4
Norway.....	124,100	4.1
Sweden.....	172,900	5.7
Switzerland.....	16,000	.5

¹ This area excludes Alaska, the Canal Zone, and the island possessions.

This table gives you at a glance the tremendous differences in distances within the boundary lines of these countries. The average telegraph haul in the United States is about 570 miles, and the average for the night letters is 1,025 miles. In Belgium the average haul for domestic telegrams is only 42.5 miles, in Great Britain 150 miles. Thus, measured by the distance served, the average cost for telegraph messages in this country is far cheaper than in Europe. As for service, everyone who has lived in Europe, or who has taken the trouble to investigate, knows that the telegraph service of this country is far superior to that of any other country.

WAGES.

Another point which public-ownership advocates seem to know nothing about, or they ignore it, is the difference in wages in the several countries compared. Facts show, however, that the wages paid to telegraphers in this country will average about two and one-half times those of Europe.

DEFICITS.

Deficits is another thing that the public-ownership fellow seems to forget about. Nearly every government-owned telegraph system in the world is run at a loss. In 1870 the British nation completed the ownership of the entire telegraph systems. It is reported that the profit under private ownership was an average of \$1,600,000 annually. The Government had only fairly got started when the deficits commenced, and they have ever since been growing. For the last few years the annual loss on the system has been over \$5,000,000. For the 12 months ending March 31, 1913, it was \$1,175,347, or \$5,723,940. The year before, according to a statement made by a socialist leader to the official organ of the Socialist Party of this country, it was \$6,196,285. These losses include the interest charges upon \$10,867,644, or \$52,925,426, of capital. It has been stated by several writers, who assert that they have the facts, that this \$52,925,426 does not, however, represent the full cost of the system, and that some \$30,000,000 additional

capital should by right be included in the capital cost. Sydney Brooks places the loss since 1870 of the socialized system at \$200,000,000. We are told by the socialists that this loss is more than offset by the cheaper rates. This is not true; but if it were, where would it leave us? The system would be in the position of taxing all the people in 43 years some \$200,000,000 in order that the dukes, the lords, the rich bankers, merchants, and manufacturers might have their telegraph rates cut in two. In other words, it would be taxing all the people in order that less than 10 per cent of them might have "cheap" rates. Ten per cent of the population send 90 to 95 per cent of the messages. And, as already explained, the rates are not so cheap as they appear in the reports. The cost of 12 cents for 12 words sounds pretty good until one understands that the address and signature are charged for. John L. Jones, 3 Lane Street, Liverpool, counts 7 words, and A. T. Smith 3 more, making 10 out of the 12 used for address and signature, which shows about how much of a message one can send for 12 cents. Each additional word is charged 1 cent, so that 12 words with the foregoing address and signature would cost 22 cents, and not 12, as we are told by those who want our aid in giving the people of this country more socialism. In 1901, which is the latest available figure in regard to telegraph losses in that country, the government telegraph system of Germany lost \$3,500,000, while that of France lost \$1,880,000 in 1905, the latest figure available. In Australia in 1912-13 the loss was \$799,206, and in New Zealand the telegraph and telephone service for 1912-13, \$313,212. Nor must we lose sight of the fact that the publicly owned telegraph and telephone pay no taxes. The taxes which they would pay were they in private hands would have to be paid by the people under other forms.

No thoughtful man can imagine that the great telegraph system of this Nation can be operated anywhere near as cheaply under Government ownership as under the present system. Public ownership everywhere has increased the cost of operation and almost always lowered the standard of efficiency. If we were to socialize the telegraph system to-morrow, in less than two years we would add 25 to 35 per cent to the cost of operation; we would overstaff the system, hedge it about with red tape, and in time make of it what our postal system is, namely, the worst-managed big business in the Nation.

Publicly owned telegraphs and telephones are everywhere characterized by wretched service, low wages to employees, use by but a small percentage of the population, and large annual deficits.

Where the Government does own both the telegraph and telephone, it is not the masses, but the classes, that mostly make use of them.

Many men who think they are not socialists are advocating Government ownership of the telegraph, the telephone, and the railroads, but they fail to see that the socialization of these services is but a step toward the socialization of all the means of production and distribution. The Government-ownership advocate is a socialist, though he may not know it, and in supporting Government ownership of the railways, the telegraph, or the telephone, is indirectly, if not directly, working for the Government ownership of your store, your farm and shop, and, most important of all, the Government ownership of your labor.

Mr. President, it may be said that I have wasted some time in reading that somewhat extraordinary address by Mr. Gordon, a distinguished labor representative, a man whom I know has made a most profound study of this question. I venture to say that the statistics that Mr. Gordon presents can not be successfully controverted by anyone. If it be true, as this gentleman asserts, that the government ownership of telegraph and telephone lines in the countries where the experiment has been tried has proved not a success but a failure, how absurd it would be for us to follow the advice of one Republican Postmaster General and one Democratic Postmaster General and place the entire telegraph system of the United States in the hands of the Government! And if the statistics here presented are true, as I assert them to be, how unwise it will be for us to turn the water transportation of this country into the hands of the Government, and allow the Government to become a competitor with the private individual and the private corporation which are now transacting that business!

I am so thoroughly imbued—and in this respect I may be called, as I am frequently called, a "standpatter" or a "reactionary"—with the feeling that we ought to give serious pause to this question of adopting to any extent the principle of Government ownership that I am taking more time in its discussion than I otherwise would take. With me it is a profound conviction. I believe it is going in the wrong direction. I believe, though it may not come in my time, that if we adopt the doctrine laid down in the bill that is under consideration at the present time, inevitably, by the force of sentiment that will be developed in the minds of many people in this country, the agitation for the ownership of railroads, telegraphs, and telephones, as well as the public utilities of the various municipalities of the United States, will gain great impetus; and I want to do my part toward preventing that consummation, which I feel sure would be disastrous to the best interests of the country.

The article I have read has impressed me very profoundly; and I want to emphasize the fact, as stated by Mr. Gordon, that the British post-office department has recently made a report of its operations for the year ending March 31, 1914, in which it estimates the loss from the telegraph service for the year at £1,230,965, or nearly \$6,000,000. If our Government should acquire the telegraph lines, who can estimate the loss that would result? And if steamship lines are acquired, why

not telegraph lines, and if telegraph lines are not profitable, why shall steamship lines be?

The experience of Great Britain in the matter of government ownership of the telephone is equally discouraging. Here is an editorial from the London Daily Mail on that subject, entitled "Why and Because." I will say that this extract I myself clipped from the London Daily Mail, a copy of that paper having been sent to me by a friend now resident in Paris, so that the extract is authentic, and I assume that it states the exact facts. Listen to it:

Why is it that Government ownership and management of the telephone is practically always a failure? Why is it that for every thousand Europeans there is only one telephone, while for every thousand Americans there are 15? Why is it that the country which has done most to improve the telephone, both technically and commercially, and to popularize its use is the country in which its operation and development have been and still are exclusively the work of private enterprise? Why is it that not one of the innumerable discoveries that have transformed the telephone industry in the last 30 years has emanated from a department of state; that European Governments have been the last to adopt them, and that the verdict which experts are obliged to pass upon them, with perhaps two partial exceptions, is that they have not learned their business? Why is it that there are great and famous towns in Europe at this moment where methods and machinery that were abandoned 20 years ago in America are still in use? Why is it that throughout the length and breadth of Great Britain and the Continent hardly a single efficient long-distance service is to be found? Why is it that in New York one can invariably get the number one wants, and get it at once, while in London one has often to wage a prolonged and embittering battle with a slow operator, insufficient lines, and a conversation—if any conversation ensues—that is only audible when it is interrupted.

The broad answer to all these questions is that the alertness and enterprise that are essential to telephone development can not be expected from a Government department. The characteristics of the bureaucratic mind and temperament forbid it. The organization of a Government office, with a virtually irremovable staff, forbids it. The spirit of officialdom, with its traditions of subordination, its narrow professional outlook, its unwillingness to concentrate responsibility, its insensible stifling of initiative, forbids it. A Government department can not raise and discipline its staff to the same level of efficiency as a commercial company. It can not act with the same freedom and directness as a private board. It can not pursue a business object without deference to a hundred influences and considerations that have nothing to do with business. It can not advertise with anything like the same boldness. It naturally seeks efficiency through economy instead of economy through efficiency. It has to think of politics and political reactions. Its whole constitution prevents it from proving as enterprising as private initiative, as prompt to discard obsolete methods and apparatus, as quick to adopt new inventions, as skillful and aggressive in gathering in subscribers.

As we all know, to our cost, we have Government ownership and operation of the telephones in Great Britain. We shall never have a telephone system worthy of the name so long as the post office remains in undivided and despotic control. Sooner or later that authority must be modified or delegated if our telephone system is ever to attain an even passable standard of efficiency.

Every American who has had experience with telephones in either England or Germany has a lively recollection of the wretched service. Some Members of this body have had the same experience that I could recount, and I assert most emphatically that the condition so vividly set forth by the London Daily Mail is a fact, that the condition is about as bad as it can possibly be.

In this connection I quote a letter written by Mr. A. G. Hagedorn, of New York, under date of March 25, 1914, to the editor of the Market World and Chronicle, as follows:

Referring to the editorial in your issue of March 21, on the Annual Report of the American Telephone and Telegraph Co. and on the arguments advanced by the Postmaster General, in a recent report, in favor of the governmental ownership of the telegraph and telephone lines, my own experience with governmental telephone service in Germany may be of some interest to you. Let me add that this experience extends over a period of years, the more recent dating back some two years.

At that time I was a visitor in a home situated outside of Wiesbaden, at a distance which was easily covered by automobile in 20 minutes. Whenever it became necessary to telephone to or from Wiesbaden, it was a rare occurrence if a connection could be established in less than 15 or 20 minutes, and often the time required was much greater. I remember very distinctly an occasion when our party was delayed at Wiesbaden and it was desired to notify the friends at home. Some one suggested a telephone message, but those who knew the service advised against it, saying it would only mean additional delay and we might reach home, if we proceeded, about as quickly as we could get a message through.

To telephone to Frankfurt on the Main, which we could reach by auto in less than one and a quarter hours, was an undertaking which was even more trying. If this was done during the morning hours, we could easily count on an hour's time for the operation and very frequently on much more than that. The procedure was this: You called up the local operator and gave him the call. He would inform you that the same had been noted and that you would be notified when the line was ready for you. How long this would take was entirely dependent on the number of calls that had come in ahead of your own. During banking and exchange hours, particularly in times of activity in the commercial world, the delay would be very trying. Business concerns recognize this, and I was told, usually put in their calls for the following day during the day preceding.

I have telephoned to other cities from the home mentioned above and recall in particular the experience had in establishing a connection with the city of Bonn—an affair of about two hours.

It is needless to add any comment to the above. Anyone who has had the experiences I have related, and then compares such service with our own prompt and efficient service, can have but one opinion on the

question whether government ownership and control of the telephone system is to be preferred to private ownership and control.

I dwell upon this matter, Mr. President, for several reasons. I am not indifferent to the movement that is going on in this country in favor of government ownership. It exists in the District of Columbia and it exists elsewhere. If it can be established that the experiment tried elsewhere has been disastrous rather than successful, I shall feel that any contribution I make to it is not time lost during this discussion.

One of the most significant and powerful arguments ever made against the government ownership of railroads, and as I have before said, if we have government ownership of steamships why not of railroads, is contained in an address delivered by our erstwhile associate in this body, the Hon. Jonathan Bourne, jr., before the National Civic Federation of New York City, on December 4, 1914. I hope Senators will listen to the philosophy and sound reasoning of our friend Mr. Bourne.

I wish, Mr. President, that I might have had time to summarize this extremely able and interesting argument, but like some other Senators, and like most Senators, my time has been greatly occupied of late in the consideration of other matters, and particularly in that of appropriation bills and hence I am constrained to give the address in full. Mr. Bourne said:

Mr. Chairman and members of the National Civic Federation:

The desideratum of all government should be the protection of its citizens and only such restraint of individual action as is absolutely necessary to insure the desired protection of all its citizens.

That, Mr. President, is a maxim that no one will take issue with.

The limit of the individual's restraint should be clearly expressed by law, and not left to the whim or fancy of an executive, a commission, a department, or a bureau.

A government of rule and regulation, a bureaucratic government such as ours is rapidly trending toward, can not long endure.

I am strongly opposed to Government ownership of railroads because of the following three objections:

First. The fundamental objection that it would be absolutely destructive of popular and representative government.

That is an objection, Mr. President, which ought to engage the attention of every thoughtful man. If it tends to the destruction of popular and representative government, it ought to be resisted at all hazards and on all occasions.

Second. The unanswerable objection that Government ownership necessitates Government regulation; that the failure of Government regulation necessitates the failure of Government ownership; that the success of Government regulation eliminates the necessity or desirability of Government ownership.

Third. The economic objection that Government ownership would be more dilatory, less efficient, and far more costly to the people of the country.

I imagine Mr. Bourne has had experience in Europe with the telephone and telegraph systems of those countries, and that his experience there led him to the observation that Government ownership would be more dilatory and less efficient, which it certainly is.

All government, society, and business are composed of human units and directed by the forces controlling human action. Hence in approaching governmental problems we should carefully analyze these forces. Where any individual is called upon for immediate action many forces, such as sentiment, love, passion, or hatred, may determine the action. I am convinced that every deliberated action of any individual in his primary capacity is controlled or influenced by the individual's opinion as to the effect such action will have upon his own personal selfish interest. If this be true, then the least power delegated to single individuals in government the better for the interests of those governed.

There are no two people in the world exactly alike, and probably there never will be. Hence each individual has a different viewpoint as to what constitutes his own selfish interest. Under community action no individual can secure gratification of his own selfish desire, but must rest content with what the majority of the community believe to be for the best interest of all. Therefore the more you force the people to act collectively, the more you can distribute governmental power, the better the general welfare of the community governed.

Mr. President, that paragraph is worthy of former Senator Bourne, the man who discovered the "composite" citizen, and it ought to attract the attention of the Senate.

In all organized society there are three great forces continually struggling for supremacy—the police force of government, the religious force, and the commercial force. The best government would be correlated action between these forces, but with domination of the police force over the religious and commercial forces.

The people as a whole and not any individual should constitute the police force of government. No individual should constitute a government. Our whole political organization is founded on this idea; and yet the present trend of this country, or at least of the present administration and some previous ones, has been toward centralized government, with practically plenary powers in the hands of the Executive or department or bureau heads.

The evil results of the police force, commonly called the State, being represented or dominated by a single individual are to-day most forcefully and horribly illustrated in the European situation, where one man by virtue of his occupancy of a throne has involved 400,000,000 people in a continental war, resulting in the slaughter of millions of men, the destruction of billions of dollars' worth of property, and cessation of industrial activities with resultant economic waste beyond human comprehension. Had the policies of European nations

been left to legislative bodies rather than to individual monarchs the situation which now exists could not have been developed.

Selfishness and ambition so generally control human action that great delegated power must always be a menace. It is certainly axiomatic that centralized power in an individual or commission can only produce results commensurate with the integrity, ability, experience and unselfishness of the individual or individuals constituting the commission.

Returning to my first objection to Government ownership of railroads, I assert that it would be absolutely destructive of popular and representative government. The ownership of railroads would be quickly followed by ownership of telegraph and telephone lines, express companies, water transportation companies, and electric railways doing an interstate business. I am opposed to Government ownership of any of these public service corporations.

I present herewith a table I have prepared giving the number of employees, for the years specified, of the United States Government and of the different public service corporations, showing a total of 3,054,988 employees.

1914, number of Government civil employees.....	469,000
1912, telephone and telegraph employees.....	220,656
1913, railway employees.....	1,815,239
1912, electric and street railway employees.....	282,461
1906, water transportation.....	188,348
1907, express employees.....	79,284

Total..... 3,054,988

Reflect over these figures, Senators.

Says Mr. Bourne:

Remember that in the last 10 presidential elections the President has been chosen by a plurality varying from a little over 7,000 to about two and a half millions. Can any person familiar with the politics of this country doubt the correctness of the assertion that, under Government ownership of these public-service corporations, with the resultant addition of over two and a half million employees to the Government pay roll, those employees and their friends would inevitably control the Government under our political machinery? The tendency would be more pay and less service in governmental employment, resulting in ceaseless efforts on the part of outside labor to secure Government employment because less onerous and more remunerative, with cumulative dissatisfaction and irritation in all private enterprise.

In the past, Presidents have been able to dictate the nomination of their would-be successors, either themselves or others, because of subservience to the Executive of the great number of Federal officeholders. While it is true that universal adoption of presidential primaries would minimize the possibility of repetition of this misuse of power in the future, yet even under a primary system, the existence of over 3,000,000 employees, subject to removal, promotion, transfer, or demotion by Executive order, would give a political power that should not be delegated to any single individual if the Government is to last.

Advocates of Government ownership urge that the taking over of the railroads by the Government would eliminate them from politics. In my opinion it would have the opposite effect, throwing them into politics.

The assertion that the railroads are now a positive factor in politics is untrue. Undoubtedly there was a time when railroads and other large corporations exerted a very large and very effective influence upon State and National politics, but that time has passed. The direct primary has overthrown the power the corporations had under the old convention system, and the people have the power to-day not only to select between candidates, but to choose the candidates as well.

Government ownership would be followed by organization of Government employees for the promotion of their own interests. These employees would immediately become an organized factor in every campaign. Their influence would be exerted, not primarily for the promotion of the best interests of the country, but for the promotion of their own interests. Their influence would be thrown with the party or candidate that promised most for the fulfillment of their desires.

So long as the party in power kept on good terms with the 3,000,000 Government employees, it would have their support, and the support and cooperation of their relatives. While it would be absurd to argue that any such body of men would act as a unit at all elections, it is altogether probable that a sufficient number of them would so act as to make them a formidable political organization.

An administration backed by an active organization spread throughout the length and breadth of the country would thereby have a tremendous and practically overwhelming advantage over the party seeking to supplant it.

The establishment of classified civil-service rules and regulations would not remove the menace to truly representative government. Even though appointments be made in part in accordance with competitive tests, the fact that chief officers of the party in power have control over promotions, demotions, transfers, and removals, would make the individual governmental employee subservient in politics, except where practically the whole body of employees acted in accordance with prearranged plans for the benefit of the employees themselves.

Our Government was founded upon the principle of distribution, rather than centralization of power. The framers of the American Constitution provided for three branches of government, the legislative, executive, and judicial. The legislative branch, composed of a large number of individuals, was designed to be the dominant branch, for it was vested with the lawmaking power. The judicial branch was designed to interpret and the executive branch to execute the laws enacted by Congress.

But in practice we have drifted far from the principles adopted when the Government was founded. Ours is a representative form of government, generally conceded to be the best thus far evolved by the brains of men, because it is a government of, for, and by the people. Yet, especially in the past two years, our tendency has been, in my opinion, entirely contradictory of the theory upon which our Government was constructed, and, unless checked, must result in absolute destruction of representative government.

Some political leaders seem to have gone commission mad. Every social and economic problem, in their view, calls for the creation of a new bureau or department or commission, with power to make rules and regulations for the government of the American people. Congress, the legislative body of the Constitution, is becoming but an instrumentality for the creation of bureaus and commissions vested with the real lawmaking power. The citizen of to-day who wishes to know what he can or can not do within the law, consults not

merely the statute books, but the latest pamphlets of rules and regulations adopted by some department or bureau head or commission. While I believe the Interstate Commerce Commission has accomplished, and is accomplishing, much good; have favored its retaining the power to regulate railroad rates; yet I realize that it is yet to be demonstrated whether the powers it already has should be enlarged or curtailed, and I am appalled at the realization that the legislation of the past two years has so centralized government as to place the interstate business of this country practically in the hands of 19 men, or possibly of 11; the Interstate Commerce Commission, consisting of 7 members, or a majority of 4, practically determining rates affecting the welfare of the whole Nation; the Federal Reserve Board, consisting of 7 members, or a majority of 4, practically determining currency expansion or contraction affecting all business of the country; the Trade Commission, consisting of 5 members, or a majority of 3, that will practically dictate the policies of 160,000 of the large corporations of this country, with the inevitable result that attempts will be made to use these boards as political machinery for the advantage or disadvantage of some administration, and ultimately of some individuals.

Proceeding now to a consideration of my second objection:

It is strange that the advocates of Government ownership, who assert the failure of Government regulation, overlook the fact that Government regulation is just as essential under Government ownership as it is to-day. If the Interstate Commerce Commission must be charged with the duty of regulating rates, supervising provisions for protection of life, and guarding against favoritism and discrimination, surely all these duties must be performed under Government ownership.

The conflicting interests of competing shipping points would exist under Government ownership, just as they exist to-day.

Every section of the country and every industry would be before the managing board of the Government railway system asking for reduced rates on certain commodities, or between certain points.

Every community would be before the board asking for improved service, improved equipment, and extension of lines.

Where the Interstate Commerce Commission has one problem to solve now, it would have ten under Government ownership.

It can not be expected that discrimination will be eliminated under Government ownership. Those who anticipate any such reform need only recall the serious differences that have arisen already in the Federal Reserve Board over the effort of the Secretary of the Treasury to extend special favors in financial matters to one section of the United States.

Another proof that we would have discrimination—unfair discrimination—under Government ownership may be found in the records of the Post Office Department, where such discrimination has been practiced. In 1910 Postmaster General Hitchcock ordered the establishment of what is known as the "blue tag" service, under which certain publications were ordered transported on freight trains, while rival publications of very similar character and competing for the same trade were continued in the mails.

Please remember that although these magazines which were ordered transported on freight trains paid exactly the same rate of postage and were admitted to the mails under exactly the same laws as those that were continued on fast mail trains, yet they received, under the Postmaster General's deliberate order, a far less efficient character of service.

When such a discrimination can be made in the Postal Service, who can doubt that there would be similar discrimination under Government ownership and operation of the railroads.

Government ownership of telegraph and telephone lines would result in intermittent press censorship and continuous press subservience to the administration in power, thereby utterly destroying our zealously guarded "freedom of the press."

Discriminations no doubt exist to some extent to-day, but they have been reduced to a minimum. The point I wish to impress upon your minds is that Government ownership would not relieve the country of the necessity of Government regulation.

If Government regulation is a failure to-day, we have no good reason to believe it would be a success under Government ownership. We can not hope to secure for the management of a Government-owned railroad system men who are more honest or more capable or more aggressive in the performance of their duty than are the members of the Interstate Commerce Commission and the officers of the Department of Justice.

If they can not succeed in enforcing the law and in preventing discrimination, we can not expect them to establish and maintain equitable service under Government ownership.

If a member of the President's Cabinet will undertake to favor one section of the United States in the operation of a currency and banking law, some other member of the President's Cabinet would attempt to favor some section of the country in the management of Government railroads under his control.

Therefore, I assert again that if Government regulation is a failure, Government ownership will be a failure, and if Government regulation is a success, the reason for Government ownership is eliminated.

The economic objection to Government ownership is the one I deem of least, and, in fact, of very slight, relative importance. I am not one of those who think that Government ownership would lead to financial disaster, or ruin of the transportation service, or the destruction of internal commerce. I have no doubt whatever that the Government could acquire the railroads, operate them with a fair degree of success, inaugurate some reforms and save some waste through the elimination of duplication. But I am also convinced that while the Government, as the owner and operator of the railroads, would likely inaugurate improvements in some respects, these would be more than offset by deterioration in the service in other ways, and that the economies accomplished by elimination of duplication would be more than counterbalanced by increased expenses in other respects.

It seems to me to be absurd to argue, as some gentlemen do, that the Government could take over the railroads, provide better equipment, install the most up-to-date and expensive appliances for the protection of employees and passengers, increase the wages, and reduce the hours of employees, and at the same time give service as good as now rendered at a less cost.

That every practicable precaution should be taken for the protection of life, no one will question. This, as I understand it, the Interstate Commerce Commission now has the power to require. I have no doubt whatever that it has ordered the installation of protective equipment as rapidly as it is deemed practicable.

Undoubtedly there is some waste in the present system of management, because competing roads maintain more frequent train service

than is necessary between certain points, through an effort on the part of each to secure as large a share as possible of the traffic. The elimination of some of the trains would mean a somewhat reduced service, a correspondingly reduced cost, and a consequent saving. I can not agree, however, with those who believe that this reduction in service, due to the elimination of competition and reduction of supervisory organization in the management due to the consolidation of all the railway systems into one, would effect any economy whatever, when allowance is made for the increased number of employees incident to Government ownership. That it costs the Government more to perform service than it does a private concern is so generally recognized that it requires no demonstration.

Under present conditions passenger and freight rates are practically uniform on competing lines, and the only competition is in the matter of service. The effort of the managers is to secure a larger portion of the traffic by providing superior facilities and rendering superior service. With the elimination of competition under Government ownership, this incentive would be entirely removed. At the present time every employee is urged by his superiors and compelled by his own desire to retain his position and secure promotion by demonstrated ability to put forth every effort to secure business for his company by offering the traveler and the shipper the best service practicable. Under Government ownership that incentive would be removed. The employee would perform his routine service with faithfulness, no doubt, but without putting forth unusual effort.

One of the arguments made in behalf of Government ownership is that it would mean increased compensation to railroad employees. That this result would be realized no one will question, nor shall I assert that it ought not to be realized. What I do contend is that the advocates of Government ownership who base their arguments upon economic reasons err in their contention that the Government can both increase compensation of employees and reduce the cost of transportation to the shipper.

The average compensation of the present railway employee is about \$723 per annum. The lowest salary paid to the railway mail clerk during the first year of this employment, when he is performing practically unskilled service, is \$900 per year. The average compensation of the railway employee is therefore below the least compensation of railway mail clerks in the employ of the Government.

If the average compensation of railway employees should be increased one-third, which is a very conservative estimate of the increase that would be experienced under Government ownership, the total addition to the compensation account would be \$400,000,000 annually, the present pay roll of the railroads amounting to over \$1,200,000,000 in round numbers.

My assertion that Government ownership would be less efficient is based to a large extent upon a personal experience I had some four years ago. On December 21, 1910, by the adoption of a resolution which I introduced, the Senate called upon the President to inform the Senate as to the total number of officers and employees of the Government, exclusive of enlisted men of the Army and Navy. Sixty-five days elapsed before the information was transmitted to the Senate, it being received on the evening of February 24, 1911.

While waiting for the receipt of this information, I became curious to know how long it would take large corporations to supply similar information regarding their own service. I therefore addressed letters to the Standard Oil Co., United States Steel Co., and the Western Union Telegraph Co. asking them how long it would take them to supply the information. The Standard Oil Co. replied that it could supply the information in three days; the Western Union could supply it within a few days. I received no response from the United States Steel Co.

It was a cause of great surprise to me that it should take the departments of the Government, all located in Washington, 65 days to inform the Senate as to the number of their employees, when all appointments are made from Washington and all pay rolls audited there.

The Post Office Department and its service is frequently lauded, especially by Postmasters General and their assistants, for its efficiency and economy. Let us analyze: Mail is deposited by citizens in post offices and letter boxes, picked up by postal employees, carried to assembling points, routed for destinations, delivered to privately owned railroads, transported by them all over the country; received by postal employees and distributed in post-office boxes or by carriers to the addressees. Could this service be performed without the privately owned railroads? Is the Post Office Department entitled to sole credit for this activity? Are not the railroads entitled to some credit for safe and expeditious transportation all over the country, especially when public opinion compels them to carry the mail, and at rates which I am satisfied after two years' special study of the subject are too low?

I have no desire to minimize the credit due the postal mail collectors, clerks, and distributors, yet comparison with large mail-order houses, where I have known a mail order for 12 different articles from 8 different departments to be filled, with the packages on the platform at the car within four hours from the time of the receipt of the letter containing the order, shows an efficiency and organization in the mail-order house that does not exist in the postal department, because of better executive direction in the former than exists in the latter.

The head of a mail-order house or other large business establishment engaged in distribution devotes his time to increased efficiency, better service, and intelligent economies, while a Postmaster General's time is too apt to be consumed in an effort to build up a political organization by the distribution of nearly 60,000 post offices among the faithful followers of the administration.

Successful private business is run on the merit and promotion plan, while we are prone to run the Government on the demerit and demotion basis.

In this discussion I make very little use of statistics, for it has been my observation and experience that statistics are very unreliable and are very likely to be misleading, even when used with the best of intentions. Statistics are quite frequently derived from a prejudiced source and usually selected and used to support preconceived ideas.

Let me elaborate a little on my statement that I have found statistics unreliable.

You will all remember that the Postmaster General of the last administration declared in his last annual report that he had succeeded in placing the Post Office Department on a self-supporting basis and had a surplus of \$219,000 as proof. The first report of his successor, the Postmaster General of the present administration, challenged this statement and asserted that the apparent surplus was produced by a "faulty method of accounting," and that instead of a surplus there was in reality a deficit of \$732,000.

I shall not take your time to enter into a discussion of the relative merits of the two assertions, which involve a difference of \$951,000. It

is sufficient to know the indisputable fact that one of the Postmasters General was wrong. The incident serves to illustrate not only the unreliability of statistics but the probability that Government statistics are manipulated to suit the purposes of the management of the department.

Just as it was to the interest of the Postmaster General of the last administration to make a bookkeeping showing of a surplus in the management of the department of which he was the head, so it is to the interest of the management of Government-owned railroads of every country in the world to make the record show successful management. Because of the personal interest of those in control, the statistics which they make public should be viewed with care and accepted as true only after most thorough scrutiny.

It is not necessary that statistics be inaccurate or used with dishonest intent in order to be misleading. Correct figures may be used with the utmost good purpose and yet lead to erroneous inferences.

For example, in an article in the Saturday Evening Post of June 6, 1914, Gov. Stubbs said:

"During the year 1913 the railroad companies of the United States received in revenue \$3,171,000,000. There are in this country approximately 20,000,000 families of 5 persons each. The average cost of living for these families last year was approximately \$625 each. Railroad transportation cost each of these families an average of \$158.50, or a quarter of its total expense."

Later Mr. Stubbs refers to this railroad revenue as a "tax." While Mr. Stubbs does not say in express words what conclusion he wishes drawn from his use of these figures, the unexpressed inference is that each family was mulcted to the extent of an average of \$158.50 during the year.

In reply to the Stubbs article, President Ripley, of the Santa Fe, presented what he termed a *reductio ad absurdum*, in which he enumerated nine items of family expense which totaled \$12,848,000,000, or an average of \$642.35 per family. These items did not include food, clothing, or rent, yet they exceeded the total average cost of living.

The thought that occurs to me in connection with the manner of presentation which Mr. Stubbs has adopted is this:

If a computation of the average revenue of the railroads per family is pertinent to a discussion of Government ownership of railroads, why is it not also pertinent to compute the average railroad expenditure per family? If the railroads are to be charged with the revenue collected, why not credit them with the money expended?

I have not at hand the documents from which Gov. Stubbs secured his statistics as to the total revenue of the railroads of the United States. I have here, however, the text of the 1912 report of the Interstate Commerce Commission, covering the financial operations of 246,828 miles of roads that reported to that body. The report does not state the amount of the total income of the railroads, but by addition I ascertain that the report shows for this mileage of roads a total income from all sources of \$2,995,596,275, or an average of almost \$150 per family, assuming that there are 20,000,000 families in the United States. These same roads paid out for wages, supplies, taxes, interest, and dividends a total of \$2,942,682,321, or an average of over \$147 per family. The remainder of the income was spent for additions, betterments, new lines, extensions, and reserves.

In this connection the following table on ton-mile revenue and distribution may be interesting to some:

Average receipts per ton-mile.....	Cent. 0.744
Distributed as follows:	
Wages.....	.321
Materials and supplies.....	.200
Taxes.....	.030
Rentals (net).....	.012
Interest (net).....	.108
Balance for stockholders, to cover adjustments, improvements, dividends, and surplus.....	.073

The average rate of dividend on all railway stock in 1912 was 4.64 per cent.

The average rate of interest accrued on all railway funded debt in 1912 was 4.22 per cent. This represents interest legally accrued and charged by the railways to their income account, whether the interest was actually paid to the bondholders or not. In other words, this covers interest defaulted as well as interest paid. If the amount of defaulted interest could be ascertained and subtracted from the total amount of accrued interest, this rate would unquestionably be somewhat smaller.

Personally, I see nothing pertinent in the computation of the average railroad revenue per family, but, if there is any force in the presentation of the figures as to income, I submit that the average railroad expenditure per family is just as pertinent and the averages are so nearly the same as practically to counterbalance.

In 1879 Congress directed the Postmaster General to secure from the railroad companies transporting mail certain information relative to operating receipts and expenditures, the purpose being ascertainment for proper compensation for railroad mail transportation. Intermittent attention was paid to this congressional direction, and in 1907 a departmental commission of five was appointed by Postmaster General Cortelyou. Over 140 questions were prepared and propounded to the 795 steam railroads then carrying mail.

It cost the railroads \$250,000 to furnish the information and the Government a direct out-of-pocket cost of \$19,423 for tabulation of the information contained in the railroads' answers, which is set forth in Document No. 105, Sixty-second Congress, first session, and reported to Congress August 12, 1911. Accompanying said document was a suggested draft of a bill indorsed by Postmaster General Hitchcock, accompanied by a letter conveying the impression that the result of the adoption of such legislation would be a saving to the Government of about \$9,000,000 in the railway-mail pay.

Here we have a concrete result of four years' research work in a department at a total expense of practically \$270,000—a good investment if the many departmental examples of pitiful vacillation, unreliable data and estimates cause Congress to check all departmental figures and decline to follow blindly departmental suggestions.

Study of the bill showed that Mr. Hitchcock and his assistants had failed to realize that rights of way, road beds, track, equipment, and terminals were necessary prerequisites in the operation of mail cars, for in his method of payment, he had made no allowance whatever for capital charges, recommending that the Government only allow 6 per cent on the ascertained cost to the railroad companies for carrying the mail, and his predicted \$9,000,000 saving to the Government was based entirely on this premise.

Fortunately Congress had created a joint congressional committee, which made an exhaustive study of the subject. With tardy realization of the absolute fallacy and injustice of his first suggested plan, Postmaster General Hitchcock, on January 23, 1913, submitted a second draft of bill for regulation of railway mail pay. Study of this plan by the joint congressional committee soon demonstrated that the plan was practically unadministrable and certainly undesirable.

On February 12, 1914, a third plan, in the nature of a tentative draft, was submitted, and the joint congressional committee was soon satisfied that same was unscientific and most undesirable, giving unnecessary and dangerous powers to the Postmaster General and containing rates, which, if adopted, would be absolutely confiscatory.

The joint committee's demonstration and the ultimate realization on the part of the department of its mistake in its third bill resulted in the submission to the House of Representatives of a draft if what is known as H. R. 17042, introduced in the House of Representatives on June 4, 1914, sections 13, 14, and 15 of which cover "compensation for the transportation of mail." The joint congressional committee again demonstrated the department's suggested rates under its new plan to be absolutely confiscatory.

Here we had four departmental plans suggested and urged for enactment within a period of three years, each differing from the others in fundamental features, but all seeking further dictatorial and plenary powers for the Postmaster General. Do you expect successful Government ownership of railroads under such a vacillating management as that?

During the nearly two years' study made by the congressional joint committee the department presented estimates of annual overpayments to the railroads to the amounts of \$9,000,000, \$10,531,792, \$1,615,532, \$319,832, and \$221,832. Many other instances of very inadequate and unreliable statistics furnished by the Post Office Department during this investigation could be cited.

Very similar was the experience of a congressional committee between 1898 and 1901, when the department submitted statistics that the railroads were paid on an average of 6.58 cents per pound for transporting mail, averaging 40 cents per ton-mile, with an average haul of 328 miles, whereas a special weighing demonstrated that the average payment was, in fact, 2.75 cents per pound, averaging only 12.56 cents per ton-mile, with an average haul of 438 miles.

Commenting upon these statistics, Congressman Moody, afterwards a justice of the Supreme Court, said:

"In other words, we were not paying one-third as much as the Post Office Department had led the people of the country to believe we had been paying."

The commission appointed in 1911 to investigate the subject of postage on second-class mail matter, of which commission Justice Hughes, of the Supreme Court, was chairman, had a similar experience. It repeatedly found the statistics submitted by the Post Office Department to be erroneous, and the department changed its figures when compelled to do so by demonstration of their inaccuracy. So glaring and numerous were the errors that the commission commented upon them as follows:

"It seems hardly worth while to include subsidiary tables from which these results are taken or to criticize the details, as the commission has little confidence in their accuracy."

I have made frequent references to the Post Office Department, not through any desire to specially criticize that department, but because the Postal Service is the only Government activity which corresponds with the Government ownership and operation of railroads, and furnishes the only demonstration based upon experience of what we might expect under Government ownership of railroads and other national public utilities.

I recognize the fact that evils exist in every line of human activity and that remedies must be provided. My own theory is that government should leave as large opportunity as possible for individual enterprise and industry, holding out as an incentive the assurance of enjoyment of the rewards of legitimate endeavor. In order that opportunities may be equally open to all, wrongful acts must be prohibited by criminal statutes, which should impose penalties so severe and make punishment so certain that violation will be extremely rare. This assurance of a large degree of liberty, and also definite restriction upon improper action, should not depend upon the varying whims or prejudices, or even the sound judgment, of bureau heads, but should be prescribed by act of the law-making body established by the Constitution, so that every citizen can read in the plain language of the statute the extent of his rights and the limitation upon his liberty.

No one will condemn more severely than I the wrongful acts of corporation managers who have pillaged their stockholders or wrecked the institutions over which they had control. Deeds of such character should be made criminal by law, if not already so defined, and prison doors should swing open to receive and confine the culprit who is unfaithful to his trust.

But eradication of evils of this kind does not require Government ownership. There is no need to stifle individual enterprise, ambition, and energy in order to prevent repetition of wrongful acts. Advocates of Government ownership propose a remedy worse than the disease. In the misguided effort to cure evils in railroad finance they would fasten upon the Nation evils far more serious, far more insidious, more deeply affecting the welfare of present and future generations, striking at the very vitals of truly representative government.

For my part, I have not lost confidence in government by law. I am not convinced that the crooks in railroad so far outnumber the honest men that elimination of the dishonest is hopeless. The day is not near so dark nor the prospect so gloomy as some would have us believe. There is still a preponderance of good among the American people, and we have not yet reached the time when we must write upon the pages of our history the declaration that we shall buy the railroads because we can not control the crooks.

I am not satisfied that efficiency goes with Government employment. I am not ready to give my approval to a plan which means the establishment of a political machine composed of 3,000,000 Government employees and their relatives and friends. I have the utmost confidence that if Congress will take its magnifying glass off the White House and relieve itself of the delusion that a citizen becomes an omnipotent statesman as soon as he has become President by virtue of the votes of 42 per cent of the electorate, we shall be able to solve a considerable number of the problems that now confront us, and without placing a check upon that marvelous American enterprise which is justly the admiration of the civilized world. I believe the American people still have confidence in representative government, and that when they realize the trend of public affairs they will rebuke the effort to establish one-man government with dictatorship from the Executive Mansion.

Mr. NELSON. Mr. President, I should like to ask the Senator from New Hampshire a question if it will not embarrass him.

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from New Hampshire yield to the Senator from Minnesota?

Mr. GALLINGER. I yield to the Senator.

Mr. NELSON. My question is this: Has the Senator from New Hampshire figured how much suitable and available tonnage for shipping purposes could be secured for the \$40,000,000 proposed to be provided by this bill?

Mr. GALLINGER. I will say to the Senator from Minnesota, in reply to that question, that the report of the Merchant Marine Commission specifically states that the cost of a swift vessel built as was contemplated in the bill that was then presented to Congress for service to South America and the Orient would be about a million dollars. The Senator from Minnesota can, therefore, see that even if we have the \$40,000,000 which is proposed in the pending measure—the \$30,000,000 that is directly proposed to be appropriated in the bill and the \$10,000,000 contingent—we probably would not get more than 30 steamships at the outside. We would get more, of course, if cheap freighters were built; but there is to-day a superabundance of ships of that type ready for employment.

Mr. NELSON. Is there not an estimated rule in respect to freighters; for instance, a given figure per ton, for which they can be built?

Mr. GALLINGER. Yes.

Mr. NELSON. What is the usual figure?

Mr. GALLINGER. About \$50 a ton.

Mr. NELSON. What would be the price per ton of a combination ship, a freight and passenger ship? That would be higher, would it not?

Mr. GALLINGER. That would be much higher, particularly if we built them as was contemplated in the bill recommended by the Merchant Marine Commission, according to the plans and specifications of the Navy Department, so as to make them auxiliaries to our Navy in time of war. They would undoubtedly cost much more.

Mr. NELSON. We could not, then, under the provisions of this bill, as I understand, hope to secure more than from 30 to 40 fair-going ocean freighters?

Mr. GALLINGER. I think not.

Mr. NELSON. Not beyond that?

Mr. GALLINGER. I should think it would be even less than that.

Mr. NELSON. What proportion does that bear—I ask the question of the Senator from New Hampshire because I know that no Senator is more familiar with the subject than is he—to the aggregate amount of tonnage engaged in the trade between this country and Europe?

Mr. GALLINGER. It would be negligible.

Mr. NELSON. Would it amount to 5 per cent?

Mr. GALLINGER. I should think it would be nearer 1 per cent than 5 per cent. Some people talk about building a merchant marine sufficient for transacting the ocean carrying business of the country so far as our imports and exports are concerned, but testimony has been presented by some one—and I think I will refer to it before I get through—who is an expert on this matter, that we could not possibly go into a project of that kind without expending \$600,000,000. We are talking now about acquiring 30 or 40 ships. England has 4,000 or more, I believe—some say twice that number—so that the ships which could be provided under the pending bill would be a mere drop in the bucket as compared to the shipping of the British Empire and of Germany.

Mr. NELSON. Assuming the largest number—40 ships, say—and assuming that they would be fairly distributed amongst the leading ports of this country, such as Galveston, New Orleans, Savannah, Charleston, Newport News, Baltimore, Philadelphia, New York, and Boston, would there be more than four or five ships to a port?

Mr. GALLINGER. I think very much less than that. In addition, the Senator might mention Seattle, Portland—

Mr. NELSON. I am not including the Pacific coast, but the Atlantic coast only.

Mr. GALLINGER. As to the Atlantic coast, not more than that number at the outside.

Mr. NELSON. Even if the ships were all for the use of what may be called the "cotton belt," sailing from such ports as Galveston, New Orleans, Savannah, and Charleston, there would be but a few ships for each port?

Mr. GALLINGER. Very few, indeed.

Mr. BRANDEGEE. Mr. President, will the Senator allow me to ask him a question for my information?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Connecticut?

Mr. GALLINGER. Certainly.

Mr. BRANDEGEE. I understood the Senator to say that a ship suitable for the trade contemplated by the bill would cost about a million dollars?

Mr. GALLINGER. A mail ship of proper speed and proper construction.

Mr. BRANDEGEE. And with proper cargo-carrying capacity?

Mr. GALLINGER. With proper cargo-carrying capacity at the same time.

Mr. BRANDEGEE. About what, does the Senator think, would be the tonnage of a million-dollar vessel? It seems to me that it is of some consequence to know how much tonnage may be carried by the ships proposed to be acquired under the pending bill, at \$50 a ton, if the Senator is correct about that.

Mr. GALLINGER. Fifty dollars a ton for a cargo vessel. Vessels of what may be called a combination type would cost more per ton, and a first-class mail and passenger ship would cost still more.

Mr. BRANDEGEE. Taking a cargo vessel alone, if it costs in the neighborhood of \$50 a ton to build such a ship a million-dollar ship would have a tonnage of 20,000 tons. Is not that a very large vessel?

Mr. GALLINGER. It is a large vessel.

Mr. BRANDEGEE. Does the Senator think 20,000-ton ships fit for the business in which they are intended to be used could be bought for a million dollars each?

Mr. GALLINGER. I should say not. But they would not be 20,000-ton ships. The kind of vessels contemplated would cost more than \$50 per ton. They would cost something like \$100 per ton.

Mr. BRANDEGEE. I have in mind the steamers owned by the Panama Railroad Co. which operate between New York and the Canal Zone. The two larger steamers were the *Ancon* and the *Colon*, as I remember their names. They were 10,000-ton ships.

Mr. GALLINGER. Yes.

Mr. BRANDEGEE. A ship of twice their cargo-carrying capacity would be an enormous ship, and I rather doubt if a millions dollars would buy such a ship.

Mr. GALLINGER. I should think it very improbable that that amount of money would buy a ship of 20,000 tons, and I do not apprehend that ships of that size will be constructed—certainly not cargo ships exclusively.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Florida?

Mr. GALLINGER. With pleasure.

Mr. FLETCHER. I desire to inquire if the Senator has considered about what tonnage a proper type of cargo-carrying vessel should have?

Mr. GALLINGER. Mr. President, I have not made any figures along that line. I take it that, if this bill passes, we will have not only cargo carriers, but likewise mail and passenger ships, will we not?

Mr. FLETCHER. Precisely; I think that is true; but some suggestion has been made about acquiring larger ships. I can not imagine what we would want with 56,000-ton ships, or even with many 20,000-ton ships, if any. I have read some authority on that subject, a British work, to the effect that the ideal cargo carrier was a ship of between seven and eight thousand tons. I did not know whether the Senator had investigated that matter.

Mr. GALLINGER. I quite agree with the Senator that that would probably be the ideal tonnage of a cargo carrier. Of course, Mr. President, in estimating the cost of these ships we are laboring under a disadvantage in not knowing exactly what is contemplated to be done under this bill. We are told that these ships are to be for trade with Central and South America "and elsewhere." If the ships are to enter into the trade to the Orient and Australasia, of course they ought to be large and swift ships to carry the mails and also passengers. Such ships, of course, would be expensive and would be of a much greater tonnage. I do not know that that trade would require ships of 20,000 tonnage, but they would approximate that; and, of course, they would be very expensive; but I do not know on what routes these ships are to be put; we are left in the dark as to that. I suppose the proposed shipping board will determine that question, and after a while, if this bill passes—and I trust it may not pass—we will get more definite information than we possess at the present time. For myself, I should like some Senator to tell, if he knows, precisely where

those "and elsewhere" routes are to be. Perhaps the Senator from Florida knows.

Mr. FLETCHER. I will be glad a little later on to make some suggestions along that line in answer to some 14 questions propounded by the Senator from Ohio [Mr. BURTON].

Mr. GALLINGER. Well, Mr. President, it delights me to learn that the Senator from Florida is going to discuss this question further. I think he ought to do so. He is able to do so; we should like to listen to him, and would be glad to have him illuminate the subject to a greater extent than the report does or than does the preliminary statement of the Senator from Florida, which was very interesting as far as it went.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from North Carolina?

Mr. GALLINGER. I yield to the Senator from North Carolina.

Mr. SIMMONS. The Senator is now discussing a very interesting question and one upon which I confess I have very little information and would like to have more; that is, as to the cost of different kinds of ships. I assume that some of these ships would be combination passenger and freight ships, while some might be freighters alone. I was going to ask the Senator if there was any material difference in the cost of a combination ship and a freighter?

Mr. GALLINGER. Oh, Mr. President, there is the same difference that there is between a \$1,000 house and a \$5,000 house—the same difference there is between the cost of marble and brick or between pine boards and mahogany.

Mr. SIMMONS. I am not quite sure, but I am under the impression that the majority of the vessels engaged in carrying cotton from the southern ports run from about 1,200 to 2,500 tons. Has the Senator any idea of what those boats would probably cost? I think they are purely freight boats.

Mr. GALLINGER. I have not, Mr. President. I think that tonnage is inordinately low, and I should think it would be very expensive to transport any product such as cotton in vessels of that type. They must be very slow and inefficient. But I frankly admit to the Senator that I have nothing to warrant a definite opinion in answer to the question the Senator puts.

Mr. SIMMONS. The Senator and myself traveled across the ocean, I believe, in the *St. Louis*.

Mr. GALLINGER. We traveled the other way in a much more expensive and luxurious boat than the *St. Louis*, as the Senator will remember.

Mr. SIMMONS. Yes; going one way, but coming the other.

Mr. GALLINGER. In other words, we traveled in a German ship going across (a ship now interned in New York) and an American ship coming over. The Senator knows the difference between those two ships, and the relative cost.

Mr. ROOT. Mr. President, may I inquire whether there was any specific reason for the Senator's coming back in a more economical boat than the one in which he went over? [Laughter.]

Mr. SIMMONS. We had a very economical chairman and auditor, and the appropriation was getting a little low. I expect. That, I think, is a boat of about 10,000 or 12,000 tons. According to the Senator's estimate of \$50 a ton, that would be about \$500,000.

Mr. GALLINGER. My estimate of \$50 a ton was for a pure freighter, which the *St. Louis* is not. The *St. Louis* is considered a most excellent ship.

Mr. SIMMONS. What I wanted to get from the Senator was whether his estimate was based upon freighters or passenger vessels.

Mr. GALLINGER. A pure freighter of the lowest type.

Mr. President, I am conscious of the fact that some criticism will be made because I have placed in the Record the opinions of a former Member of this body on the question of Government ownership; but, as I said before, to me that is the crux of this whole situation. To me the question as to whether we are to inaugurate Government ownership in a great industry such as transportation across the oceans of the world leads me to give more attention to it than I otherwise would. I would have been glad to have simply discussed the bill, as I shall discuss it in a little while, from a maritime standpoint, and endeavor to show that our country has been very unwise in its legislation and that this attempt is but another unwise one to solve a problem that, in my judgment, can not be solved in this way. No doubt I shall likewise be criticized for giving, as I shall now proceed to give, the opinions of individuals and the editorial views of some of the great newspapers of the country against the bill that is now engaging our attention.

The matter of municipal ownership of public utilities is making a rather poor showing these days, Mr. President; and

municipal ownership is not any different from Government ownership. It is Government ownership; and if it is not doing well, if it is not making a success, it ought to cause us to hold our breath and give pause to legislation that is to extend that principle. Everywhere municipal ownership seems to be suffering from depression, possibly "psychological," and we may expect to be told that it is manufactured to endanger the prospects of success of a bill which provides for the municipal ownership of the street railways and other public utilities of the District of Columbia. I do not know whether it was by accident or design, and I make no criticism that would be invidious or distasteful to anyone, but it is rather a remarkable circumstance that during the present administration every man appointed to the position of Commissioner of the District of Columbia is in favor of Government ownership. One of the first announcements he makes is that he is in favor of the Government taking over the public utilities of the District of Columbia—the street railways, the gas plant, the electric-light plant, and other utilities, if there are any. I want to show—and I shall be as brief as I can in discussing this phase of the matter—that municipal ownership where it has been tried has not been a success. A leading newspaper says:

Following closely reports from Seattle telling of financial loss from municipal operation of the street cars come advices from three Canadian cities, which have been proudly pointed to, showing dismal failure in two and a most extraordinary "success" in the third—success consisting of a deficit as yet not estimated and a service so precarious that "many people would rather walk to and fro," so it has been asserted.

Our municipal-ownership crusaders pose with expanded waistscoats and fondle unctuously the theory that they are the people's friends, the abnegating champions of the wage earner against the bondholder; so it may be they will not hastily reject the evidence of the failure of municipal ownership in Canada, notwithstanding it is published in and vouched for by the Union Labor Advocate, official organ of the Washington Building Trades Council, affiliated with the building trades department of the American Federation of Labor.

This reliable publication, it appears, sought information from its official correspondents concerning the operation of municipal ownership in Canada, solely for the reason that such an experiment was being discussed in Washington. Their responses appear in the current issue of the Union Labor Advocate. Coming from a source which can not be accused of prejudice against municipal ownership, they are worthy of careful consideration.

I shall not quote them all, but shall give one or two illustrations.

From Edmonton, Alberta, J. Hanning, secretary, sends the following astonishing summary of the situation:

It is an utter failure in Edmonton. The street car system is the poorest of five cities I have lived in—Toronto, Vancouver, Portland, Winnipeg, and Edmonton—and the fares are equal to the highest—straight 5 cents.

The reason for the failure of municipal ownership to compete, or even compare, with private ownership in this city is because the spoils system entirely eliminates all chances of getting competent men to run it. Every year the administration changes, and with it the entire staff goes, too. Always incompetent men are given the jobs, their ability lying in their power to get votes.

It is true they have lost \$40,000 since its inception, and it looks as though they will lose more. The city owns the electric-light system and sells the street car service power at 2 cents per kilo, robbing Peter to pay Paul. Residents pay as much as 8 cents per kilo.

The city sells its railway the necessary power at one-fourth the rate it charges the residents, and the road loses \$40,000.

A recent French publication by Yves Guyot, translated from the French, entitled "Where and Why Public Ownership Has Failed," is a document of much interest and value. Perhaps a more suggestive title would be, "Where Has Public Ownership Not Failed?"

According to M. Guyot the successful instances are practically undiscoverable. In an exhaustive fashion he cites the experiences of all the civilized countries of the world in the experiment of ownership or operation of what have come to be known as public utilities. It has been uniform. Expensive and unsatisfactory service are shown beyond question to be the unbroken rule, and though in some instances an apparent success from a financial view has been made in some countries in some directions and at some time, the happy experience was short lived and due entirely to the methods of bookkeeping in use; that is to say, allow for the amortization of the original cost of the plant and of its renewals or extensions and only a loss can be figured from State ownership. An abundance of minute and carefully tabulated statistics are furnished and the whole field of governmental monopolies from railways to alcohol and from Belgium to Russia is covered.

For this uniformity of experience there must be a reason. M. Guyot finds it in the mainspring of human action, which, until now and probably forever, have been and will be the same. High office, money decorations, rank, and homage are things men strive for, and with the certainty that such things are not obtainable for the individual through successful conduct of a business for the State, interest is lost or even never aroused in the enterprise. And without that failure is certain. The Socialist declares that national or municipal undertaking is more economical than private, because no dividend need be paid upon capital. But interest and sinking fund authorization must be provided for, consequently the margin of economy is merely the difference between the two, and experience has taught uniformly that the poor service due to poor management by salaried public officials tends constantly toward diminished receipts and so toward the reduction of the margin of economy.

A careful perusal of M. Guyot's work will well repay anyone who is interested in this subject which is now being seriously,

agitated in this country. The standing of M. Guyot as an economist gives assurance as to his method and accuracy, and if there be any virtue in profiting by the experiences of others we will do well to realize that the path of innovation is not necessarily the path of wisdom.

The proposition that the Government shall invest \$40,000,000 in the purchase and building of ships, to be operated by the Government, is almost universally condemned by the press and by thoughtful business men. Rear Admiral Stockton writes as follows:

They (the belligerents) will quietly take the vessels put under the American flag to evade capture and condemn them as legitimate prizes—a condemnation which is not only justified by the law and usages of the sea, but by treaties which we have entered into.

Mr. ROOT. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from New York?

Mr. GALLINGER. Certainly.

Mr. ROOT. May I ask the Senator if that is the same Admiral Stockton who was one of the delegates of the United States to the conference of London?

Mr. GALLINGER. I understand so.

Mr. ROOT. And who signed the declaration of London in behalf of the United States?

Mr. GALLINGER. He did.

Mr. ROOT. And who was at one time the head of the Naval War College at Newport?

Mr. GALLINGER. He was.

Mr. ROOT. And a very distinguished authority on questions of international law and naval law?

Mr. GALLINGER. A man of great distinction along those lines. I want to repeat what Admiral Stockton says:

They—the belligerents—will quietly take the vessels put under the American flag to evade capture and condemn them as legitimate prizes—a condemnation which is not only justified by the law and usages of the sea but by treaties which we have entered into.

Mr. James McLoughlin writes to me from the Aldine Club, New York, as follows:

JANUARY 5, 1915.

Hon. J. H. GALLINGER,
Senate Chamber, Washington, D. C.

DEAR SIR: I am a college graduate, have been a licensed master of vessels, and have been and am still a shipper of merchandise by sea for the past 35 years. I conceive, therefore, that I have a right to be heard in the discussion of the question of the registry of ships of belligerent powers in the United States at the present time and the organization of a company, with the Government as a stockholder, to own such ships.

It appears to me to be the most crazy proposition which has so far emanated from an eccentric administration.

If we do these things, England daring, we will soon be at war with her.

If we do them, socialism and paternalism will have set a new limit and private property will be driven from the high sea so far as the American flag is concerned.

I hope you will do all you can to delay and prevent this obnoxious thing. There is no limit to which you can go which will not be patriotic and a fulfillment of your obligation to the State and country you represent.

Here is a letter from Wallace Downey, director-treasurer of the United States Marine Association, New York City, which is worthy of careful consideration:

We are against Government ownership on general principles and emphatically against it owning and operating merchant vessels competing with private-owned foreign ships. Government ownership within the limits of the Nation is bad enough, but it is our own affair. Government ownership of vessels competing with private-owned foreign vessels in foreign trade would certainly create foreign and domestic jealousy, international friction, and ultimately war. All this in addition to stagnation of private interest and adequate development and tens of millions of Government money lost in investment and operation for an inefficient and paltry service. Ship subsidy, with all its faults, would be twenty times cheaper annually, twenty times more effective and productive of necessary results, and one hundred times safer internationally.

I also call attention to the following letter from Dr. Royall J. Miller, of Atlanta, Ga., which shows that the people of the South are taking an active interest in this question:
Senator GALLINGER, Washington, D. C.

DEAR SIR: I am taking the liberty of inclosing you a clipping from the Atlanta Georgian, January 20. The proposed amendment to buy ships and lease or sell them to private parties or corporations is a most pernicious one. It more closely approaches a direct subsidy than any measure recently proposed. Those who reversed themselves on Panama tolls because they claimed that was a subsidy are now proposing this plan of investing Government money in ships for individuals or corporations, charging only 4 per cent for the money.

Very truly,

ROYALL J. MILLER, M. D.

Mr. President, the hearing upon this bill in another place was a very meager and unsatisfactory one, and no hearing whatever was given to the people of the United States in this body. In the other House two Members of that body made addresses, and the Secretary of the Treasury gave his opinion concerning the measure at very great length. No business man was called, no shipping man was called, no

merchant was called, no expert was called, nobody was called except the three gentlemen I have named; and that hearing occupied a small part of two days. I wondered then that they did not call some of these experienced men, some of these practical men who know something about this subject from the practical viewpoint. I wondered that Capt. Dollar, of San Francisco, a man who owns ships that are engaged in both the foreign and the domestic trade, was not asked his opinion. I wondered why Capt. Crowley, who is likewise the owner of ships in both the foreign and the domestic trade, was not called to express his views. I speak of those two men as representative of a class of men who have definite, positive, personal knowledge of this subject. And I also wonder that James J. Hill, that great master of transportation, was not asked to give his opinion.

Two or three days ago, and without any solicitation on my part, I received a letter from Capt. Crowley, which I shall read. He is known to a great many Members of this body. He is known to all the Members, I doubt not, of the Committee on Commerce. He is a man who has the confidence of every man who knows him in Boston or elsewhere. He says:

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: I am glad to note by the papers that our New England Senators are putting up a strong fight on the Government ownership bill, and I hope and trust they will succeed in defeating it. If it should go through I can not understand where the Government will be able to purchase or build ships, as I have had a man in England for five weeks trying to buy or charter ships, but it was impossible to do so, and could not get a ship built there under any guaranty of delivery.

I wish every Member of the Senate might have heard that sentence as I read it, as it is a pretty direct and conclusive answer to the suggestion that all we have to do is to go out and buy these ships, or all we have to do is to go abroad and have them built and go into the business of transportation.

I would also state that the shipyards in this country are now practically full of work, and they can not guarantee to build or deliver any ship inside of 12 to 18 months.

My company has just contracted with the New York Shipbuilding Co., of Camden, N. J., for two large ships, to run in the Atlantic and coastwise trade, and we can not get these ships within a year's time.

And yet, Mr. President, that private company represented by Capt. Crowley, having contracted for two large ships to be built by the New York Shipbuilding Co., of Camden, will have their ships afloat just about the time the Government goes into the business in competition with private shipowners, provided this bill passes, and Capt. Crowley's ships will be sent to the scrap heap, in my opinion, because neither he nor any other private shipowner or shipbuilder can possibly compete with the Government under the conditions of this bill. Capt. Crowley concludes:

I note there has been much talk about high ocean freight rates, which is no fault of the shipowners of this country, but is the fault of foreign shipowners, and of course it is only natural that American shipowners should follow. It is not only ocean freights that have gone up, but all commodities, such as cotton, wheat, etc., which is on account of the war. As soon as the war is over freight rates will go down to their normal prices, and there will be plenty of ships in the market.

My company are still in the market for ships, but as we are unable to buy any abroad and can not get any delivered in this country inside of 12 to 18 months, it would be no use for us to go ahead and contract for more ships, as there will probably be a great change in prices and freights before the ships can be delivered.

I am inclosing you several clippings in regard to Government-owned ships. Trusting you will be successful in defeating this bill, I am,

Very truly, yours,

COASTWISE TRANSPORTATION CO.,
J. G. CROWLEY,
General Manager and Treasurer.

Under date of January 16 I received the following letter from the Boston Chamber of Commerce:

The board of directors of the Boston Chamber of Commerce at their meeting on January 14 unanimously adopted the report of the chamber's special committee on merchant marine, in which it recommended that the chamber oppose the bills now pending in both Houses of Congress (H. R. 18666 and S. 6856), providing for Government ownership and operation of vessels engaged in foreign trade, for the reasons set forth in the report, a copy of which is sent you herewith. The committee also makes specific suggestions as to the preferable methods of creating a strong and enduring merchant marine.

In arriving at its conclusions the committee not only carefully considered the proposed measures now pending in Congress, but invited JOSHUA W. ALEXANDER, chairman, and Congressman E. W. SAUNDERS, of the House Committee on the Merchant Marine, and ex-Congressman J. Sloot Fassett, who addressed the members of the chamber at a public dinner and presented the arguments for and against the proposed measures. This was done in order that the chamber should not take action until it had been fully informed upon the different phases of the question.

After careful consideration of the arguments presented the board of directors are unanimous in their opinion that the present bills for Government ownership and operation of merchant vessels would discourage private capital and personal initiative, and deter the development of an American shipping industry, so vital to the commercial progress of Boston, of New England, and of the whole United States.

As a substitute for the plan proposed by the Government the chamber makes six specific suggestions for creating an American merchant marine, which they believe to be much preferable to Government ownership.

We sincerely hope that you will carefully consider the recommendations and suggestions set forth in the chamber's report, and that you may see your way clear to oppose the bills providing for Government ownership and operation of our merchant marine.

Very truly, yours,

E. J. BLISS,
President.
JAMES A. MCKIBBEN,
Secretary.

The report of the committee of the Boston Chamber of Commerce relative to the pending legislation is as follows:

To the Executive Committee and Board of Directors:

There is some precedent in the practice of other nations for Government ownership of railroads; there is none whatever for Government ownership of a merchant marine.

Such experience in this direction as exists is either an accident or a fragment. The United States bought a small steamship line from New York to Colon as a part of the assets of the old French Panama Canal Co., and has operated that line as an incident of canal construction (statement of Mr. E. A. Drake, vice president Panama Railroad Steamship Co.) at a nominal bookkeeping profit of about 2 per cent for 10 years, with insurance, depreciation, and interest disregarded—imperative charges of a regular steamship concerns which, if paid by the Government line, would have involved a huge deficit and bankruptcy. The Government of western Australia has owned and operated a small coastwise steamship line for two years (report of attorney general of western Australia), with a loss of \$114,000 the first year and of \$96,000 the second. It is believed that this enterprise will be abandoned.

This is the net experience in Government ownership which the world affords—two lines, both of them financially failures. Yet the ocean-steamship business as a whole in private hands is and has been reasonably prosperous—as prosperous, on the average, as other industries, or it could not have procured capital for its great and constant growth. Twenty-five years ago the tonnage of all nations recorded by Lloyd's was 22,151,000; 10 years ago it was 36,000,000; now it is 49,089,000.

There has been almost no increase in the overseas tonnage of the United States in this period, but the causes are well known. This is not the place for their discussion at length, and they can not be remedied by a mere expedient of Government ownership. Steamers of a Government-owned line would, if built in the United States, cost more than competing foreign-built ships, or if bought abroad would cost no less than such competing ships, and would cost considerably more to operate. They would, of course, equally with private-owned American ships, be barred from the subsidies of foreign Governments. A half a century of actual trial proves that under such conditions and with only such exceptions as serve to prove the rule, American ships can be maintained in overseas commerce only at an annual loss that finally becomes prohibitive.

MORE COSTLY THAN A REGULAR SUBSIDY.

This inevitable loss under these bills will have to be made up out of the Treasury of the United States, through appropriations for the maintenance of the Government-owned steamship service. There is no proof or suggestion that a Government-owned line under the American flag can be operated at any less expense than a private-owned line. In fact, the expense of a Government-owned line would certainly be greater, for it has been established again and again that the Government can not conduct any business so economically as private individuals trained from youth in that business and dependent on it for profit and livelihood.

Experience has shown that it costs about 20 per cent more to build battleships in Government navy yards of the United States than in private yards, under like systems of accounting, and it is a fair assumption that there would be at least an equal contrast in the cost of ship operation. Therefore it is a reasonable expectation that if a subsidy of a given amount were required for the profitable maintenance of a private-owned merchant marine, a Government-owned merchant fleet would demand a subsidy at least 20 per cent, and probably much more than 20 per cent, greater, in the form of appropriations from time to time for the Government steamship corporation, of whose stock the Government holds 51 per cent while private capitalists may own the remainder.

Without entering on a consideration of the expediency or justice of a subsidy system, it is indisputable that this Government-ownership project involves a particularly wasteful form of subsidy expenditure, inasmuch as trained and responsible private shipowners would be able to provide a given service at a lower cost, or for the same amount to render a more efficient and comprehensive service.

SHIP OWNING A SPECIALIZED BUSINESS.

The proposed bills hold that the Government-owned merchant marine shall be managed by a shipping board, composed of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce—

This was written before the third edition of the bill was presented to the Senate—

not one of whom, probably, would have had the slightest experience in or knowledge of the ocean shipping business, which is a profession by itself, complex and difficult, requiring intense application and exceptional aptitude. It is not to be expected that Cabinet ministers, even of the highest general abilities, could compete in this highly specialized calling with men who had made it the one thought and effort of their lives.

The Panama Canal line is a conspicuous case in point. Its president is and has been Col. George W. Goethals, the distinguished builder of the canal. This Government line, though favored in the transportation of officials and employees, supplies, and materials, has failed to earn a sum equivalent to its insurance, depreciation, and interest, which must be regularly met by all private steamship companies.

DOES AN EMERGENCY EXIST?

It is said that an emergency exists because of the great European war, and that this emergency justifies a disregard of all precedents and demands immediate and extraordinary legislation. We deny that there is any such extreme emergency. Chartering is active; vessels long idle are being employed; freight rates have advanced. But these

higher rates are due in chief part to risks incident to the war, to higher insurance rates, and to an increased cost of coal, supplies, and wages. Shipowners and merchants who have been questioned state that there is ample tonnage offering in the world in general for the reduced amount of trade that is being transacted. In South American commerce, especially, on which stress is laid by the proposed bills, there are said to be more ships than cargoes. A widespread business depression, due to the war and other causes, has suddenly reduced the purchasing power of the South American Republics. A new American freight steamship line has recently been established to Brazil. Other American steamships naturalized under the new free-registry law are scheduled to sail at frequent intervals for Argentina, Uruguay, Chile, and Peru. There is and long has been an American line to Venezuela, and there are two or three American lines, one the Government-owned service, to the Isthmus of Panama, aside from the six American lines regularly plying through the canal in the coastwise trade between the Atlantic and Pacific seaboard. The managers of the lines to the farther countries of South America state that because of the prevalent business dullness they are finding it difficult to load their ships and maintain their sailings, without the additional handicap of having the Government of the United States as a competitor.

A note is appended which says:

The United States & Brazil Steamship Line, under the auspices of the United States Steel Corporation, operates three American freight steamers from New York to Rio de Janeiro and Santos. Norton, Lilly & Co. operate three American freight steamers from New York to Montevideo, Buenos Aires, and Rosario. W. R. Grace & Co. (Merchants' Line) and the New York-South American Line both operate American freight steamers from New York to Chile and Peru. The Red D Line operates four American mail, passenger, and freight steamers under ocean mail pay to Venezuela. The United Fruit Co. operates several American mail, passenger, and freight steamers from New York to the Isthmus of Panama and Colombia. The Panama Railroad Steamship Line operates several American mail, passenger, and freight steamships from New York to the Isthmus of Panama, connecting at Balboa for ports on the west coast of South America.

The report continues:

AS TO THE LACK OF COTTON SHIPS.

There is some difficulty in securing a sufficient number of ships on the route from the southern cotton ports to Bremen; but it should be understood that because of mines and other conditions this is an extraordinary service. British and French ships, of course, are not available for the carrying trade to Germany, and the German Government has stipulated that cotton shall be brought to German ports only in ships of American register, which are also preferred for the export of German dyestuffs and chemicals. Twelve or more American steamers from the coastwise service have accepted charters in the Bremen cotton trade during the few weeks since that trade was opened.

The information of the committee is that the real difficulty in the Bremen trade is not lack of ships but lack of marine insurance on hulls and cargoes. A Federal war insurance board has already been instituted for temporary service through the European war. Proposals to extend the authority of this board so that it can assume marine risks for the time being, while conditions remain as abnormal as they are now, are already before Congress. Such an expedient would solve the problem without any need of resort to the costly and dangerous expedient of Government ownership. If proper insurance can be had more ships will be available. There are still suitable American steamships not yet chartered. From this fleet, with return cargoes practically assured, enough tonnage should be had to carry all the cotton required for direct import by Germany. In addition to these steamships there is a large fleet of seagoing sail vessels, capable of carrying cotton or other cargoes with reasonable safety if insurance can be had. Indeed, several American sailing craft have been chartered in the past few days for lumber freights from the Gulf of Mexico to the Mediterranean.

A HAZARD TO NEUTRALITY.

There are large considerations of national prudence why any American ships employed to carry cotton or other goods to German ports should be private-owned ships, instead of the property of our National Government. Hon. Robert Lansing, the counselor of the Department of State, recently emphasized before a subcommittee of the House Committee on Naval Affairs the grave risks that would be run in the transportation of conditional contraband to a belligerent port in a public ship of the United States. Raw cotton is regarded as noncontraband, but the very appearance of a national-owned ship in belligerent waters is fraught with a peculiar hazard to neutrality that does not attach to the voyage of a private-owned vessel.

An accident or affront to a Government-owned ship, would be a vastly more serious affair than a similar happening to an ordinary commercial vessel not of a public character. A Government-owned merchant marine, created in the stress of war, would be a potent agency for the embroiling of the United States in the terrible catastrophe now convulsing Europe.

GOVERNMENT OWNERSHIP WILL NOT INCREASE TONNAGE.

No considerable increase in the amount of tonnage actually available for the carrying of our over-seas trade in any direction can be anticipated from this proposed expedient of Government ownership. All the American ships and all the neutral ships that could be bought and utilized for this purpose by the Government can be had equally well for charter for export at current rates on application to their present owners. Government ownership has no magic power to increase the tonnage of the world. New ships can not be constructed in either American or foreign yards in a period less than 7 months—9 or 10 months or a year would be required for the largest cargo vessels. The British Government, on December 23, proclaimed an embargo on the transfer of British ships to foreign flags without the assent of the British Board of Trade, which in present circumstances would hardly be forthcoming. Dutch, Scandinavian, Spanish, Italian, and other neutral steamers are in such active demand and are earning such unusual rates of freight that it is not probable that our Government could purchase them now without the payment of inordinate prices. A scheme of Government ownership and operation, hazardous and difficult at any time, could be effected at the present juncture only by a prodigious expenditure.

Thirty or more German steamships, some of them of large tonnage, are interned at present in ports of the United States. The Hamburg-American Co., the larger of the concerns owning them, has recently declared that its ships were not for sale. Moreover, last August, a rumor that these German steamers might be bought by the American

Government immediately drew a notification from both Great Britain and France that the purchase and operation of these belligerent vessels under the American flag would be regarded as an unfriendly act and as a violation of neutrality.

The committee is deeply interested in the real revival and restoration of the American merchant marine in over-seas trade, but is profoundly convinced that an ambitious scheme of Government ownership would discourage and delay and not promote this great object dear to the hearts of the entire Nation. Shipowners and shipbuilders state that the introduction of these proposed bills has had the unfortunate result of halting private enterprise and defeating important plans for the extension of steamship services and for new construction. No business man, no business corporation, however resolute and resourceful, desires to have as a possible competitor the Government of the United States.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Colorado?

Mr. GALLINGER. I yield to the Senator.

Mr. THOMAS. Will the Senator yield with the understanding that he does not yield the floor except for the purpose of an executive session?

Mr. GALLINGER. I will ask the Senator from Colorado if after the executive session a recess will be taken?

Mr. THOMAS. Not until late. The purpose is to go back into legislative session.

Mr. GALLINGER. Very well, Mr. President, I am quite willing to take a little rest, and I yield.

EXECUTIVE SESSION.

Mr. THOMAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 37 minutes spent in executive session the doors were reopened.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. KERN. Mr. President, it was the desire of the majority, and I might say the intention of the majority, that the session should continue until about 9 o'clock this evening, in order that the business of the Senate might be facilitated. I understand, however, that the Senator from New Hampshire [Mr. GALLINGER], who has the floor, is somewhat indisposed, on account of having spoken some two and a half or three hours, and would prefer that he be permitted to go on to-morrow morning, not desiring to have the continuity of his remarks broken.

While in the opinion of a majority a filibuster is in operation, and as a filibuster is supposed to be a test of physical endurance that might not be a sufficient excuse for the majority to abandon its purpose and intention, we are not unmindful of the fact that the Senator from New Hampshire is, in point of service, the oldest Member of this body; we all have a kindly feeling for him personally; and we are not inclined to hold the Senate in session to any later hour than 6 o'clock.

I think, however, it is fair that notice should be served upon Members on both sides of the Chamber that it is the purpose of the majority that there shall be night sessions hereafter throughout this week, and that hereafter, in case of one Senator becoming exhausted, it will be necessary that some other Senator shall be prepared to take his place; otherwise, a vote will be insisted upon.

I give this notice in all kindness.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I think it is due to myself to say that I am not indisposed, and I have not made any such claim. Senators upon the other side very kindly said to me that if I preferred to go on to-morrow, it could be arranged. I deeply appreciate any courtesy that is extended to me; but I do not want it to go out, even into the corridors, that I am a sick man, because I am not.

Mr. KERN. I only know what has been told to me by Senators on this side of the Chamber; and I assumed, from what they told me, that the Senator expressed a preference to be relieved from further work to-day.

Mr. GALLINGER. When consulted I did express a preference, just as we have done hundreds of times in the past, that it would be more agreeable to me to go on in the morning; but, of course, I am subject to whatever program the majority has in mind. I want to repeat that I do appreciate deeply any expression of kindness or any act of courtesy on the part of the majority, and that it would be more agreeable to me to go on in the

morning; but if it is thought otherwise, I shall not insist upon it, and I have not insisted upon it.

RECESS.

Mr. KERN. In view of the preference expressed by the Senator from New Hampshire, and in view of the fact that word has been passed about that the session to-day would not be continued later than 6 o'clock, I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. HUGHES. Mr. President, will the Senator withhold that motion for a moment that I may submit a report?

Mr. KERN. I withhold the motion for that purpose.

Mr. HUGHES. I ask unanimous consent to submit, in behalf of the junior Senator from New York [Mr. O'GORMAN], a favorable report from the Committee on the Judiciary.

Mr. SMOOT. I object.

The VICE PRESIDENT. Objection is made. The Senator from Indiana moves that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 52 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, January 27, 1915, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 26, 1915.

INTERSTATE COMMERCE COMMISSIONER.

Henry Clay Hall to be an Interstate Commerce Commissioner.

UNITED STATES ATTORNEY.

Edwin S. Wertz to be United States attorney for the northern district of Ohio.

UNITED STATES MARSHAL.

Jonas T. Amis to be United States marshal for the middle district of Tennessee.

RECEIVER OF PUBLIC MONEYS.

Raymundo Harrison to be receiver of public moneys at Fort Sumner, N. Mex.

PROMOTIONS IN THE NAVY.

Capt. De Witt Coffman to be a rear admiral.

Capt. William F. Fullam to be a rear admiral.

Commander Edward L. Beach to be a captain.

Lieut. Commander Gatewood S. Lincoln to be a commander.

Lieut. (Junior Grade) Ralph C. Needham to be a lieutenant.

Lieut. (Junior Grade) Richard T. Keiran to be a lieutenant.

Asst. Paymaster Smith Hempstone to be a passed assistant paymaster.

Second Lieut. Charles L. Austin, United States Army, to be an assistant paymaster.

POSTMASTERS.

COLORADO.

J. A. Theobald, Breckenridge.

CONNECTICUT.

Edward M. O'Brien, Waterbury.

FLORIDA.

James F. McKinstry, Gainesville.

GEORGIA.

General M. Kilgore, Loganville.

INDIANA.

John A. Cody, New Albany.

MINNESOTA.

George E. Crow, Walker.

Edwin L. Gove, Madelia.

Charles E. McAllen, Chokio.

Charles W. Mobeck, Center City.

NEW YORK.

Frank P. Bagg, Barneveld.

Sylvester R. Deyo, Kingston.

Edgar H. Jolliffe, Congers.

OHIO.

William A. Ault, Wadsworth.

Andrew H. Austin, Ravenna.

John S. Gossett, Dennison.

PENNSYLVANIA.

Charles B. Duff, Ford City.

Glen S. Hamilton, Falls Creek.

Michael F. Lawler, Jessup.

William Leslie, Parkers Landing.

VIRGINIA.

A. B. Buchanan, Tazewell.
 William H. Maffett, Vienna.
 John L. Pulley, Ivor.
 C. F. Ratliff, Floyd.
 T. W. Richardson, Bedford (late Bedford City).

WEST VIRGINIA.

A. L. Hatfield, Matewan.
 James A. Pyles, New Martinsville.

WISCONSIN.

Edward Cody, Antigo.
 John Coppes, South Kaukauna.
 William F. Gruenewald, Oshkosh.
 Alexander W. Horn, Cedarburg.
 E. J. Jacquot, Hortonville.
 Frank H. Kellner, Denmark.
 Levi Lane, Oconto Falls.

HOUSE OF REPRESENTATIVES.

TUESDAY, January 26, 1915.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Make us tractable, O God our heavenly Father, to the heavenly vision revealed unto us in the life, character, and teachings of the Jesus of Nazareth, that with unselfish devotion, patience, zeal, efficiency, we may do the tasks whereunto Thou hast called us, and thus be the instruments in Thy hands for the furtherance of good government and the betterment of mankind. In His name, Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. RUSSELL, for two days, on account of sickness.
 To Mr. CARY, for 10 days, on account of death in his family.

The SPEAKER. Both these requests should date back to yesterday; but last night, when the House failed to obtain a quorum, they were not submitted.

AGRICULTURAL APPROPRIATION BILL.

Mr. LEVER. I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 20415) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Agricultural appropriation bill, H. R. 20415, with Mr. HAMLIN in the chair.

The CHAIRMAN. The Chair understands that there is a motion pending to strike out.

Mr. ANDERSON. That amendment was defeated.

Mr. LEVER. As I recollect it, that amendment was withdrawn by unanimous consent.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] objected.

Mr. MANN. That amendment was defeated, and I then moved to strike out the last two words, and I withdraw that pro forma amendment.

Mr. CANDLER of Mississippi. A vote was taken after the gentleman from Illinois [Mr. FOWLER] objected, and that amendment was defeated.

Mr. ANDERSON. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 20, lines 6, 7, and 8, strike out the word "straw," in line 6, and the words "which may be used for paper making," in lines 7 and 8, and insert in lieu thereof the following: "with a view to increasing the oil content of flaxseed."

Mr. ANDERSON. Mr. Chairman, I think the debate last evening very thoroughly demonstrated the fact that the work under this item is not being directed toward a very feasible or practical end, and the purpose of my amendment is to redirect the work under the item to a somewhat different field in the same general line. In other words, the amendment does not prevent the appropriation being applied to flax, but applies it

in the direction of increasing the oil content instead of experimental work in the direction of its usefulness for paper making.

The North Dakota Experiment Station has been carrying on experiments with flax for a long time. Practically 90 per cent of all the flax raised in the United States is raised in the States of Minnesota, North Dakota, and Montana. The reason for that is that there has been a very general opinion among farmers that flax could not be raised two, three, or four years in succession. So it has been almost exclusively a pioneer crop. The North Dakota station in its experiments has ascertained that where flax is raised for three or four or five years in succession a certain parasitic growth appears which attacks the roots and results in a kind of wilt. The North Dakota station has also been carrying on certain experiments along the line of the rotation of crops and the treating of the seed to eliminate this parasitic growth and has developed resistant varieties of plants and seed. But what I desire with this amendment is to direct the work under the item toward the increasing of the oil content of the flaxseed. In this country flax is raised almost entirely for the seed, and as the value of the seed depends almost entirely upon its oil content the work under this item, if it could be directed toward the testing of flax so as to increase the oil content of the seed, would be very much more valuable than it can possibly be when directed as it now is.

Mr. McLAUGHLIN. Mr. Chairman, I have no doubt that there is much force in what the gentleman from Minnesota says in regard to the value of the flaxseed and the uses to which it is or may be put and the desirability of investigation along that line, but I think the amendment he offers ought not to be adopted just as he has framed it, as it will stop altogether experiments that are being made to learn if flax straw can be used profitably in the making of paper.

When the matter was considered by the Committee on Agriculture some doubt was expressed as to the wisdom of continuing the appropriation, but, as I recall, the officials from the department who spoke concerning it said that the work had been carried on very satisfactorily and that it has not yet been finished, but the provision as it appears in the bill was retained largely as a result of the statement made by the gentleman from North Dakota [Mr. HELGESEN], a member of the committee, who in a very clear and convincing manner told of the value of the work the experiment station in North Dakota is doing.

The gentleman's statement convinced the committee that the work ought not to be abandoned; and while I have no objection to the bill containing an appropriation to enable the department to make investigations as to the use of the flaxseed, I think it would be unwise at this time to eliminate altogether the provision in regard to experiments with the flax straw; and if an amendment is to be made, I think the experiments regarding straw ought to be continued, although the provision may well be extended perhaps to include the experiments respecting the seed.

Mr. ANDERSON. Will the gentleman yield?

Mr. McLAUGHLIN. I yield to the gentleman from Minnesota.

Mr. ANDERSON. I want to say to the gentleman that I had drawn a paragraph proposing a new item covering the work I had in mind, but in view of the general attitude of the committee and the desire to keep this bill within reasonable limits and to exercise economy, I thought it better to direct the money already provided by the bill to the new use than to increase the expenditure by preparing new items; but if there is any real opposition to discontinuing the work under the item I shall offer the proposition as a new paragraph.

Mr. McLAUGHLIN. That would be my suggestion to the gentleman—that he so broaden the language as to permit the department to make experiments and investigations respecting the use to be made of flaxseed. I do not know what the chairman of the committee may do, but if the suggestion is made to increase the appropriation, as far as I am concerned, I should rather have it increased than amended, as first suggested by the gentleman from Minnesota.

Mr. LEVER. Mr. Chairman, I was about to suggest to the gentleman from Minnesota to add a proviso making it read something in this way—provided that \$5,000 of this amount may be spent in the direction indicated in the gentleman's amendment. I think I would have no objection to that. That would take about half of it.

Mr. ANDERSON. Would not the gentleman be willing to increase the amount by \$5,000 so as not to interfere with the other work?

Mr. LEVER. I should rather not, for I have not considered this matter, although the gentleman's statement is very clear.

It is clear to my own mind that we have about reached the point where we ought to close up this investigation, although I would not want to cut it right off at once. It seems to me that \$5,000 of this appropriation could be used to start the gentleman's investigation and at the same time leave one or two men continuing their investigations of the paper-making possibilities of flax straw. I would be very glad to accept that amendment.

Mr. ANDERSON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to withdraw his amendment. Is there objection? There was no objection.

Mr. ANDERSON. Now, Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of the paragraph, line 8, page 30, insert the following: "Provided, That \$5,000 of this amount may be used in testing and breeding flax with a view to increasing the quantity of oil contents of flaxseed, including rotation experiment and demonstration."

Mr. LEVER. Mr. Chairman, I have no objection to that.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

For the breeding and physiological study of alkali-resistant and drought-resistant crops, \$22,280.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word. Yesterday in the discussion of this Agricultural appropriation bill there was some little discussion in connection with the sugar industry and its decline. I want to say something about the lumber industry. I find in the report of the Chief Forester, dated December 23, 1914, the following statement in regard to forest management in the national forest:

FOREST MANAGEMENT.

Timber sales on the national forests supply demands from two sources. The first is local use by railroads, mines, and communities in the vicinity of the national forests. This demand requires from 30 to 40 per cent of the annual cut. It is comparatively stable. The second demand is from the general lumber market.

The amount of timber cut and the receipts from sales thus depend in large part upon trade conditions in the lumbering industry. A consistent effort has been made by the Forest Service to make the annual volume of business more stable both by increasing local sales and by encouraging sales for varied industries, such as the manufacture of pulp and paper and of wood distillates, whose demands are less affected by trade conditions. While substantial progress has been made in this direction, no large increase in the volume of timber sales is possible except in connection with good business conditions in the lumber trade of the United States.

Now I call attention to the following paragraph:

Last year was for the greater part one of weak lumber markets and curtailed production. Lumber manufacture was active and trade conditions good from August, 1912, to May, 1913.

That last is the month and year that the House of Representatives passed the Underwood tariff bill and sent it to the Senate. The report continues:

This period of good times in the industry was reflected in the large timber-sale business reported for the fiscal year 1913. Since then, however, the demand for lumber has fallen off to a marked degree. Many of the mills operating in national forest regions, including purchasers from the forests, have been forced to carry excessive stocks, particularly of low grades. There has been a drop in lumber prices of from \$1 to \$4 per thousand feet on various grades. Possible purchasers, including a number who had previously applied for blocks of national forest stumpage, became very cautious. While the cut under outstanding sale contracts has been well sustained and exceeds that of the preceding year by 131,000,000 board feet, new sales for the general lumber market have fallen off materially.

Mr. SLOAN. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. SLOAN. I want to call the gentleman's attention to the fact that yesterday afternoon a distinguished member of the Agriculture Committee was rebuked by the Chairman for injecting a tariff discussion into this bill. Does not the gentleman fear that he may come under the disfavor of the Chairman and be likely to be rebuked by the Chief Forester?

Mr. JOHNSON of Washington. I have no fear, unless some one should undertake to show that the report of the Chief Forester is merely psychological; that it does not state the situation. Here is the Forester making a report intending to show that the sales and the business in the great forest reserves in the United States are kept up in such a quantity as to warrant the expenditure of five and a half million dollars to take care of this matter. And yet he is, on page 8 of this statement, forced to make the statement that timber conditions are already declining, that there is a fall in the market, and to give the date of the beginning of that as May 8, 1913, in spite of the special reports of Secretary Redfield that the lumber industry was good at that time.

Mr. CANDLER of Mississippi. Will the gentleman yield?

Mr. JOHNSON of Washington. I will.

Mr. CANDLER of Mississippi. The Forester does not attribute it to the Underwood tariff law.

Mr. JOHNSON of Washington. Perhaps not; but I do.

Mr. CANDLER of Mississippi. I know that the gentleman does; but I do not.

Mr. MOORE. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. MOORE. Is it not due to a lack of efficiency? Does not the gentleman think that if we had more careful bookkeeping, as recommended by the Secretary of Commerce, the Forester could show better business?

Mr. JOHNSON of Washington. Here is a great agricultural bill carrying \$22,000,000, and a quarter is for the Forestry Service. A great change in the form for the distribution of the fund is contemplated, which will go over without much consideration.

Mr. MOORE. Does not the gentleman think that more "efficiency" in the service would give more work to the unemployed who are now wandering over the country seeking jobs?

Mr. JOHNSON of Washington. I wish that that might be so.

Mr. GOULDEN. Mr. Chairman, I move to strike out the last two words. On lines 9 and 10, page 20, is an item for the breeding and physiological study of alkali-resistant and drought-resistant crops, \$22,280. Will the gentleman state what success has been made in that direction?

Mr. LEVER. I will say that the item covers investigations of the function and structure of crop plants grown in the arid part of the United States in order to determine why different species and varieties differ in their resistance to alkali and drought, and in order to furnish a physiological basis for plant breeding, variety testing, and investigations of cultural methods; an investigation of the native vegetation of arid regions with a view to its use as an indicator in classifying land upon the basis of its crop-producing capabilities; investigations to secure more drought-resistant strains of field crops adapted to dry-land agriculture; investigations to obtain by introduction and breeding drought-resistant and alkali-resistant varieties of pomegranates; the securing of varieties of Egyptian cotton yielding fiber of superior quality growing under irrigation in the southwestern part of the United States; and the investigation of the effect of alkali and unfavorable moisture conditions upon this crop.

One of the results of this investigation has been the development of the fact that Egyptian cotton can be grown very successfully in that country, with the result that quite a little industry has been built up at this time.

Mr. GOULDEN. What success have they met with in raising cereal crops under the system known as dry farming?

Mr. LEVER. The success has been somewhat indifferent, I take it, but they are continuing to investigate in the hope of finally finding some way of doing it that will secure the industry in the country.

Mr. GOULDEN. How long has Congress been appropriating for this particular purpose?

Mr. LEVER. Well, I could not tell.

Mr. GOULDEN. Well, a matter of 10 years?

Mr. LEVER. It has been a matter of 8 or 10 years.

Mr. GOULDEN. I remember it was some time ago, but I know that in traveling over the West I discovered a good many dry lands where they were endeavoring to cultivate them, and I wondered what success the department had met in helping to solve that question or assisting in solving it.

Mr. LEVER. It was encouraged by its own success, and I think the members of the committee feel that perhaps that feeling of encouragement is hardly justified by the facts, but we feel they ought to be permitted to continue this work.

Mr. GOULDEN. I have no fault to find with the recommendation of the department or the committee. I only wanted to know for my own information, as well as the Committee of the Whole House, what success has attended the efforts, if any. I have no doubt but that the Committee on Agriculture have acted wisely.

Mr. LEVER. I am glad to give it to the gentleman.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

For investigations in connection with western irrigation agriculture, the utilization of lands reclaimed under the reclamation act, and other areas in the arid and semiarid regions, \$70,380.

Mr. BOOHER. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee how many appropriations are made in this bill for the investigation of the semiarid lands?

Mr. LEVER. It is only the item under consideration now and an item which we have just passed a moment ago, and then there is one in the irrigation project carried in the back of the bill.

Mr. BOOHER. Does the gentleman know how much money is appropriated now by these different paragraphs for this investigation of semiarid crops?

Mr. LEVER. I would say, offhand, it was \$250,000.

Mr. BOOHER. What has been the result of this experimental work by the bureau of the department?

Mr. LEVER. I will read from my report of last year on this subject. I have not gone into this this year as I did last year.

Mr. BOOHER. I want the chairman and the committee to understand that I am not finding fault, but I want to know if results are being obtained thus far.

Mr. ANDERSON. If the gentleman will permit, I can give him some information—

Mr. LEVER. I will read from the report of last year to the gentleman:

This work includes an investigation of the agricultural conditions in the irrigated regions and adjacent regions of western United States for the purpose of discovering and recommending the best methods of crop production in those regions and to provide facilities for the various cooperating specialists of the Bureau of Plant Industry to work out the agricultural problems which come within their special fields. Special attention is also given to the production of long-staple cotton in the irrigated Southwest, particularly in Salt River Valley, Ariz., and the Imperial Valley, Cal.

Now, the gentleman from Arizona, my friend will recall, last year gave the committee a very succinct idea of the work being done in reference to long-staple cotton, and quite an industry has also grown up in the Imperial Valley of California due to this investigation.

Mr. BOOHER. Does the chairman know how much money has been expended by Congress on these investigations?

Mr. LEVER. I could not tell the gentleman without going back over the reports, and I have not them at hand now.

Mr. STAFFORD. Does the gentleman's estimate of \$250,000 apply only to the expense in the field, or does it also include the expenses for examinations here at Washington?

Mr. LEVER. I think it includes the expense in the field, although I have not looked into that.

Mr. STAFFORD. Here we have two items which aggregate some \$250,000. Certainly that does not include the expenses in the field and also of these sensitive experts who are employed down here in the bureau at Washington.

Mr. LEVER. I assume a portion goes to administration expenses and a portion to traveling expenses and a portion to salaries. It is expended like any other item in the bureau.

Mr. BOOHER. It can not possibly go to the payment of salaries, because we appropriate for salaries in another place.

Mr. STAFFORD. That is what I am trying to point out to the chairman. The expenses of salaries of officials employed in Washington and used in this work is in addition to the appropriations here provided.

Mr. LEVER. These salaries carried on the statutory rolls for this work here in Washington would be in addition.

Mr. BOOHER. Does part of the salaries for these people come out of the appropriation we are now discussing?

Mr. LEVER. I think not.

Mr. STAFFORD. Not clerical salaries.

Mr. LEVER. I meant clerical salaries.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

For horticultural investigations, including the study of producing, handling, and shipping truck and related crops, including potatoes, and the study of landscape and vegetable gardening, floriculture, and related subjects, \$56,080.

Mr. GUERNSEY. Mr. Chairman, in connection with this item I wish to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 21, at the end of line 18, by adding the following: "And, in addition, \$50,000 to reimburse potato shippers for the amount assessed upon them on account of Federal inspection of potatoes offered for shipment."

Mr. LEVER. Mr. Chairman, I reserve a point of order on that.

Mr. GUERNSEY. Mr. Chairman, in connection with the amendment I have offered to provide \$50,000 to reimburse shippers of Maine potatoes for the charge imposed on them on account of this Federal quarantine, I wish to say this: The Government declared in 1914—to take effect August 1, 1914—a quarantine on all the potatoes in the State of Maine, as what was called "powdery scab" was found in a few potatoes near the Canadian border.

The declaration of the quarantine against all Maine potatoes was a great hardship for a time to Maine potato growers, and is still a burden to them. It not only prevented shipments from the State but it advertised injuriously one of the chief crops of the State through the country when, as a matter of fact, Maine potatoes have always been unusually sound and healthy—almost entirely free from the suspicion of disease—and 99 per cent are to-day. This is due, no doubt, to the fact that the soil and climate of Maine are particularly adapted to the production of sound potato stock; more so, perhaps, than any other part of the country.

If that quarantine had gone into effect without an appropriation to carry it out, it would have locked up the great potato crop in the State last year. An amount was appropriated—something like \$50,000. One hundred thousand dollars was recommended. The \$50,000 has proved insufficient. The organization necessary to inspect a crop of thirty to forty million bushels involves a large expenditure of money. The department was obliged to send a superintendent to Maine to take general charge of the inspection. He organized a force which, under his direction, began the inspection, and in addition to his regular salaried assistants he employs a force of from 80 to 150 men under a per diem arrangement to inspect potatoes. This force varies according to the volume of shipments. The \$50,000 last year, I understand, has been practically all placed; that is, it has been paid out in part and the balance will be required for the salaries and expenses of the permanent organization during the balance of the fiscal year and to carry on the general expenses of the inspection. Now, a great proportion of the crop is still unshipped, and there is not money to pay for the extra men—the per diem men—who would be required to make the inspection, with the result that the department, in order to continue the inspection, has assessed the shippers \$2 per car on every carload of potatoes inspected for shipment, and will continue to do that throughout the balance of the fiscal year 1915. Up to the 1st of December I understand that the department paid all the expense of the inspection; since then it has not been able to, as I have stated, owing to the insufficiency of the appropriation and the expense of its regular organization.

In order to bring to your minds the work involved in the inspection of potatoes in Maine, I will state that in September last 1,908,515 bushels were shipped out of Maine; in October, 2,229,395 bushels; in November, 1,784,630 bushels; in December, 1,610,692 bushels; and there will have to be inspected for shipment more than 2,000,000 bushels per month for several months to come until the crop is sold; and, as near as I can tell, the \$2 charge per car on the shippers will amount to fully \$50,000.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. GUERNSEY. Yes.

Mr. McKENZIE. What does the State of Maine do in connection with this matter? Is it bearing any of this burden?

Mr. GUERNSEY. The State of Maine has made no appropriation, and I feel it ought not to be called upon to do so, as the quarantine was imposed by the Federal Government for the benefit of the whole country. My attention was called by the gentleman from Pennsylvania the other day to a fact in connection with this matter, that the Government whenever it undertakes these inspections does not in all cases impose the burden upon private individuals.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maine yield to the gentleman from Pennsylvania?

Mr. GUERNSEY. Yes.

Mr. MOORE. Is it not a fact that we are making appropriations at this time to investigate various diseases, and are making other kinds of inspections without asking appropriations from the States?

Mr. GUERNSEY. That is my understanding.

Mr. MOORE. In the matter of the cane-sugar growers in Louisiana, we are making a direct appropriation for their benefit without asking for any return from the State?

Mr. GUERNSEY. Yes; I so understand.

Mr. MOORE. Is it not true with regard to the work of exterminating the boll weevil, for which we make Federal appropriations constantly? We do not ask any cooperation from the States, but treat it wholly as a Federal matter?

Mr. LEVER. The gentleman from Pennsylvania is absolutely mistaken as to that. I can show by figures that I have here that the States have contributed more for that work in the South than the Federal Government has contributed to it. The policy of the department is to compel cooperation from the States.

Mr. MOORE. Will the gentleman say that that is done in the matter of the cattle tick and other things of that kind?

Mr. LEVER. Exactly. My State has contributed exactly what the Federal Government has contributed. I went before the State Legislature of South Carolina a year ago and urged the State legislature to make an appropriation. I will not say that the result of my speech was the \$30,000 which the State appropriated, but the legislature did appropriate the money. [Laughter.]

Mr. MOORE. Let me ask the gentleman from South Carolina this: What amount are we appropriating this year for the treatment of the boll weevil?

Mr. ANDERSON. \$666,000.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. GUERNSEY. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. LEVER. The total appropriation for the boll-weevil work is \$666,000.

Mr. MOORE. Can the gentleman tell me what the State of South Carolina appropriates to match that?

Mr. LEVER. I will put it in the Record. I do not happen to have the figures here. But the State of South Carolina has appropriated more for that object than the Federal Government has appropriated.

Mr. ANDERSON. South Carolina has appropriated—

Mr. LEVER. The college makes an appropriation, I will say to my friend.

Mr. ANDERSON. The State of South Carolina, including the college, appropriates \$52,000.

Mr. MOORE. Will the gentleman tell us where most of the money appropriated for the treatment of hog cholera is expended?

Mr. LEVER. Most of it is expended in the Northwest. I do not think a dollar of it is expended south of the Potomac River.

Mr. MOORE. How much do the States appropriate for this hog-cholera work?

Mr. LEVER. I can not tell the gentleman as to that. That is a new item.

Mr. ANDERSON. Some of the States that are getting the benefit of this hog-cholera appropriation are making large appropriations on their own account. They are also making appropriations for serum plants and are providing part of the serum that is used.

Mr. LEVER. I think the State of Ohio has expended \$400,000 in building a number of serum manufacturing plants.

Mr. MOORE. In these cases the States act voluntarily in the matter, whereas in the State of Maine the Federal Government actually established a quarantine to prevent the potato growers and potato shippers from getting to their market.

Mr. LEVER. That is done in South Carolina with respect to other things. You can not ship a steer out of an infected area in South Carolina, except under certain regulations. There is no difference between this proposition and that one.

Mr. RUBEX. Mr. Chairman, will the gentleman from Maine yield?

The CHAIRMAN. Does the gentleman from Maine yield to the gentleman from Missouri?

Mr. GUERNSEY. Yes.

Mr. RUBEX. Replying to the inquiry made by the gentleman from Pennsylvania [Mr. Moore], I will say that the State of Missouri has contributed \$75,000 for the work of eradicating hog cholera. Less than that in proportion is received from the Federal Government, and it is the policy of the Department of Agriculture to cooperate with the States, and in nearly every instance the States are contributing a proportional part, not only for the eradication of hog cholera but everything else.

Mr. MOORE. Can the gentleman tell us about the foot-and-mouth disease?

Mr. LEVER. I will say with reference to the foot-and-mouth disease that the States and the Federal Government do cooperate and pay half and half the expense.

Mr. GUERNSEY. In the inspection of the shipment of beef by the packing houses is the expense divided, or is it paid wholly by the Federal Government?

Mr. LEVER. That is a statute which has been passed by Congress. There is a permanent appropriation of \$3,000,000, and the Government is bearing the total expense of inspection.

Mr. GUERNSEY. That is what I thought; the Government, in order to protect the country as a whole, pays the entire expense of the inspection of beef. Now, in order to protect the country as a whole from a disease which it was claimed existed in the Maine potato, they caused a quarantine on all of

the potatoes of Maine—locked up the crop—and except for the money provided by the Congress for inspection that crop would have stayed in the State, as no one would have had authority to inspect it for shipment but Federal inspectors, and without money provided by Congress they could not have been sent to Maine to do the work. Now, in view of the fact that Congress has not appropriated enough to move the whole crop, it seems to me the Government should make good and appropriate now an additional amount, so that the growers of potatoes and the shippers shall not be burdened. The potato shipper is entitled to as much favor as the beef packer; both are handlers of food products in interstate shipment. To a very large extent the quarantine is absolutely unnecessary, as it is probable that 99 per cent of the potatoes covered by the quarantine were absolutely free from disease.

Mr. ANDERSON. May I ask the gentleman a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the time of the gentleman from Maine be extended five minutes. Is there objection?

There was no objection.

Mr. ANDERSON. I want to ask the gentleman whether or not it is a fact that the tax of \$2 a car which is being imposed on shipments of potatoes from Maine, to pay the expense of this quarantine, was placed on the shipments at the suggestion of the people of Maine themselves?

Mr. GUERNSEY. I do not understand that it was, unless the department informed them that they had not money enough to carry on the inspection, and that without inspection the crop could not leave the State.

Mr. ANDERSON. I just want to read to the gentleman the testimony before the committee:

Mr. HUGEN. Did I understand you to say the shippers are to be taxed \$2 a car for this inspection?

Mr. MARLATT. Yes. They are very willing to pay it; it is their own suggestion. Potatoes must be inspected before they can move.

Mr. HUGEN. That flows into what treasury?

Mr. MARLATT. Into the treasury of the State of Maine.

Mr. HUGEN. Then the State of Maine is not doing anything?

Mr. MARLATT. The citizens of the State of Maine?

Mr. HUGEN. I mean the State itself.

Mr. MARLATT. No; the State is not appropriating anything.

Mr. HUGEN. My understanding last year was that if we would appropriate this amount of money Maine would take care of itself after the first year. Was that your understanding, Mr. Chairman?

The CHAIRMAN. I do not recall that that was the exact understanding. I do recall having a telegram from the governor to the effect that the State of Maine would bear some portion of this burden. I do not recall just what the telegram was, but I have it in my files.

Now, of course, the fact of the matter is that the Government in the exercise of its authority prohibited the exportation of potatoes from Maine unless they were inspected, and if it desired it could impose upon the people of Maine the entire cost of this inspection. Whatever is contributed by the Government to the inspection is contributed altogether as a gratuity rather than as a matter of right.

Mr. GUERNSEY. In reply to the gentleman I will say that it ought not to be so, as the potatoes of Maine are, as a whole, practically unaffected, and only in two or three very small sections have they discovered any disease whatever, so that 99 per cent of the potatoes burdened by the quarantine were free from disease, but were held up by the action of the Federal Government. For that reason I believe the Government should pay the whole bill.

Mr. MOORE. Will the gentleman yield for a question?

Mr. GUERNSEY. Yes.

Mr. MOORE. Is it not true that this 99 per cent of healthy potatoes are subject to this inspection, and that the farmers who dig them and the shippers who send them to market are practically assessed that \$2 a carload in getting them to market, which condition does not obtain anywhere else in the country?

Mr. GUERNSEY. The gentleman is right. The farmer is taxed. Their price is reduced just so much.

Mr. HUGEN. Is it not also true that this appropriation was made at the suggestion of the Representatives from the State of Maine on the representation that an appropriation would be provided at the next session of the Maine Legislature to cover the expense?

Mr. GUERNSEY. This was the situation: The crop was locked up by the quarantine, and the Senators from Maine and the Representatives did make a request for a Federal appropriation to move the crop, and very likely some one did suggest that perhaps the Legislature of Maine would make an appropriation or contribution; but my contention is that neither the State nor the shippers ought to be obliged to contribute.

Mr. HAUGEN. I am free to say that my understanding was that the appropriation was made last year to meet an emergency, and that the State of Maine was to take care of itself after the first year; but I find this year it comes in here and asks for another appropriation, which we have recommended. Now, is it the wish of the gentleman that the appropriation be stricken out?

Mr. GUERNSEY. No; I think it should be increased.

Mr. HAUGEN. The gentleman thinks the Federal Government should take care of it entirely?

Mr. GUERNSEY. I do.

Mr. BARTLETT. Will the gentleman yield for a question before he sits down?

Mr. GUERNSEY. Yes.

Mr. BARTLETT. I understand that this quarantine prevents the shipment of potatoes out of the State of Maine until they are inspected?

Mr. GUERNSEY. Yes.

Mr. BARTLETT. And that the potato grower has to pay \$2 a car for the inspection?

Mr. GUERNSEY. That is paid by the potato shipper and indirectly by the grower.

Mr. BARTLETT. Has not the Legislature of the State of Maine appropriated money to aid that purpose?

Mr. GUERNSEY. It has not up to this time.

Mr. BARTLETT. The tax, then, whatever it is, is borne by the grower, in conjunction with the officers of the Agricultural Department?

Mr. GUERNSEY. That is the situation at the present time.

Mr. LEVER. The gentleman from Minnesota [Mr. ANDERSON] and the gentleman from Iowa [Mr. HAUGEN] have stated the case of the committee as strongly as I could possibly state it without taking up too much time, and I am therefore compelled to make the point of order.

Mr. MOORE. Will the gentleman reserve his point of order for five minutes?

Mr. LEVER. I have already reserved it for 15 minutes. The gentleman understands that he can get time on the next paragraph.

Mr. MOORE. Does the gentleman insist on his point of order?

Mr. LEVER. I do not want to cut the gentleman off, but we have had 15 minutes on this item. If the gentleman insists, I will withhold the point of order.

Mr. MOORE. If the gentleman will withhold it for two minutes it is all I ask.

Mr. LEVER. I will do so.

Mr. MOORE. Mr. Chairman, I think the amendment offered by the gentleman from Maine ought to be considered, although the gentleman from South Carolina has the right to make the point of order, and it may be sustained. The situation in Maine is peculiar. The farmers there are remote from the market. It costs more, possibly, to get Maine potatoes into the market than it does to get them from the Middle West. It costs more to bring them from Maine to a market like New York than it does to bring them from Bermuda and across the water. They are seriously handicapped in other ways. They are directly up against the Canadian border and the tariff which protected them against the Canadian potato was taken off, then there came a great rush of Canadian potatoes which threatened the whole industry of Maine. This of itself would have been sufficient to destroy the market for Maine potatoes, but suddenly the "scab" was discovered and the quarantine was put on. That since has served as a tariff, minus the revenue.

Now, more than 99 per cent of the potatoes of Maine are unaffected by the "wart" or "scab," and the great bulk of the territory is untouched by it. These Maine farmers go about the business of raising potatoes in the usual way, and it seems to be a great injustice that all of them should be made to pay for this inspection when only so few are affected. We do not treat all our farmers that way.

The Clerk read as follows:

Purchase and distribution of valuable seeds: For purchase, propagation, testing, and congressional distribution of valuable seeds, bulbs, trees, shrubs, vines, cuttings, and plants; all necessary office fixtures and supplies, fuel, transportation, paper, twine, gum, postal cards, gas, electric current, rent outside of the District of Columbia, official traveling expenses, and all necessary material and repairs for putting up and distributing the same; for repairs and the employment of local and special agents, clerks, assistants, and other labor required, in the city of Washington and elsewhere, \$252,540. And the Secretary of Agriculture is hereby directed to expend the said sum, as nearly as practicable, in the purchase, testing, and distribution of such valuable seeds, bulbs, shrubs, vines, cuttings, and plants, the best he can obtain at public or private sale, and such as shall be suitable for the respective localities to which the same are to be apportioned, and in which same are to be distributed as hereinafter stated, and such seeds so purchased shall in-

clude a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States: *Provided*, That the Secretary of Agriculture, after due advertisement and on competitive bids, is authorized to award the contract for the supplying of printed packets and envelopes and the packing, assembling, and mailing of the seeds, bulbs, shrubs, vines, cuttings, and plants, or any part thereof, for a period of not more than five years nor less than one year, if by such action he can best protect the interests of the United States. An equal proportion of five-sixths of all seeds, bulbs, shrubs, vines, cuttings, and plants shall, upon their request, after due notification by the Secretary of Agriculture that the allotment to their respective districts is ready for distribution, be supplied to Senators, Representatives, and Delegates in Congress for distribution among their constituents, or mailed by the department upon the receipt of their addressed franks, in packages of such weight as the Secretary of Agriculture and the Postmaster General may jointly determine: *Provided, however*, That upon each envelope or wrapper containing packages of seed the contents thereof shall be plainly indicated, and the Secretary shall not distribute to any Senator, Representative, or Delegate seeds entirely unfit for the climate and locality he represents, but shall distribute the same so that each Member may have seeds of equal value, as near as may be, and the best adapted to the locality he represents: *Provided also*, That the seeds allotted to Senators and Representatives for distribution in the districts embraced within the twenty-fifth and thirty-fourth parallels of latitude shall be ready for delivery not later than the 10th day of January: *Provided also*, That any portion of the allotments to Senators, Representatives, and Delegates in Congress remaining uncalled for on the 1st day of April shall be distributed by the Secretary of Agriculture, giving preference to those persons whose names and addresses have been furnished by Senators and Representatives in Congress and who have not before during the same season been supplied by the department: *And provided also*, That the Secretary shall report, as provided in this act, the place, quantity, and price of seeds purchased, and the date of purchase; but nothing in this paragraph shall be construed to prevent the Secretary of Agriculture from sending seeds to those who apply for the same. And the amount herein appropriated shall not be diverted or used for any other purpose but for the purchase, testing, propagation, and distribution of valuable seeds, bulbs, mulberry, and other rare and valuable trees, shrubs, vines, cuttings, and plants.

Mr. YOUNG of North Dakota. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 23, line 14, after the word "stated," strike out "and such seeds so purchased shall include a variety of vegetable and flower seeds suitable for planting and culture in the various sections of the United States."

Mr. LEVER. Mr. Chairman, I do not know how much debate there will be on this proposition, but I ask unanimous consent that all debate close in 10 minutes on the paragraph and all amendments thereto.

The CHAIRMAN. Is there objection?

Mr. YOUNG of North Dakota. I object to that, but will withhold the objection for a moment.

Mr. LEVER. There are several that want a little time on this side, and I ask unanimous consent that debate close in 15 minutes.

Mr. YOUNG of North Dakota. It seems to me that this is rather early to have debate limited on a matter of so much importance. There is no telling how many may want to speak on this side.

Mr. LEVER. How much time does the gentleman desire himself?

Mr. YOUNG of North Dakota. Very little, because I had some time the other day.

Mr. LEVER. I ask unanimous consent, Mr. Chairman, that all debate on the paragraph and amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on the paragraph and amendments thereto close in 30 minutes. Is there objection?

There was no objection.

Mr. YOUNG of North Dakota. Mr. Chairman, as I had 20 minutes during the general debate upon this bill three days ago and there are only 30 minutes agreed upon at this time for the discussion of this amendment, I do not propose to take very much time. It seems to me that the Department of Agriculture might be trusted to spend the money and make the seed distribution according to its best judgment rather than to be tied down by the words contained in the bill that I have moved to strike out, which provide that the distribution is to be largely confined to vegetable and flower seed.

As I mentioned while the matter was under discussion a few days ago, these seeds which are sent out from year to year are not of any superior quality or of new varieties. They are just the kind of seeds any farmer can buy at the nearest village or town for a few cents. We are not furnishing him with anything new. I do not think anybody is being fooled by sending out the seeds from year to year, except possibly some of the Congressmen. The farmers who get them—or the most of them—know what they are worth and how senseless the whole proceeding is, and I think it is about time for us to cut out this farce. There is nothing so belittling to Congress as this annual seed peddling. If a farmer in my district would propose to spend \$250,000 so foolishly as is proposed in this paragraph of the bill, he would be suspected of insanity. I strongly favor

permitting the department officials to use their discretion in the selection of seeds. If such discretion is given to them, they will undoubtedly confine the distribution to new and rare varieties of seed for the purpose of introducing new crops to increase the income or preserve the fertility of the soil. The farmers are being told to mix some brains with their farming. It might be well for Congressmen to mix some brains with their agricultural legislation.

Mr. PAGE of North Carolina. Mr. Chairman, it was not my purpose to follow a precedent I have made for several years of making an attempt to eliminate this item. I think I know when I have been defeated, and I have found out, as far as the House of Representatives is concerned in regard to this item, that "Ephraim is joined to his idols," and there is no possible hope as long as this distribution is placed in the hands of Members of Congress of defeating the appropriation on the floor of the House.

I do not desire to provoke the annual speech of the gentleman from Mississippi [Mr. CANDLER], and I very much hope, as much as we delight in it and as much pleasure as it gives the House of Representatives, that in the interest of time and orderly procedure we may escape it, and I am going to say nothing to provoke it.

I want, however, to say that I have not changed my mind or my attitude toward this appropriation as being a waste of the public money. It is no better now than it was in the preceding bill or any bill that has gone before it; but recognizing what I said in the beginning, of the uselessness of making a fight against it here, I shall not pursue it, although I shall vote for the amendment offered by the gentleman from North Dakota.

Mr. HUGHES of Georgia. Mr. Chairman, I am in favor of the distribution of seeds by the Government, and I am in favor of that from personal experience; and I feel that a great deal of good has been accomplished by the distribution of these seeds. It is the province of this great Department of Agriculture to advance the interests of the farmers of this country, and I disagree with my distinguished friend from North Carolina [Mr. PAGE]. I believe that it confers a greater benefit the longer we continue to disseminate these seeds. Mr. Chairman, I live in one of the largest agricultural sections in Georgia or the South, and to show the interest of the people of that section in these seed distributions I have more applications for the seeds than is my pro rata share. I want to give one or two experiences of my own and those of my neighbors. There are two diseases that are most destructive to the cotton plant. One is known as the black root or rot and the other is anthracnose, and wherever these diseases attack the cotton it is as fatal as the boll weevil or any other destructive insect. There is a pea known in Georgia as the cow pea or the red pea, which pea has a great amount of vine, and that pea has been a great favorite in Georgia from the fact that no pea we have ever used seemed to benefit the land more than this. But it was discovered that where this pea was sown and followed by cotton that almost always this terrible root rot was the result.

The farmers therefore felt that they would have to discontinue the use of this great fertilizing pea in order to save their cotton. In the meantime, however, the Government began to disseminate what was known as the iron pea. It has not been yet used to any very large extent, but this was found to be the fact, that the seed has the same fertilizing properties given to the soil as the red pea, and at the same time, where the iron pea is used, it seems to prevent this fearful black rot or root. And the same case with the anthracnose. There is cotton sent out by the Government, sent in small packages, which was a resistant cotton seed to the fearful disease. Now, Mr. Chairman, I wish to say Georgia and the entire South have planted more small grain—rye, oats, and wheat—a great deal more this season than ever before. There is a determination that cotton shall not be the only moneyed crop in that State and in that section. They desire to procure the very best seed, and when those seed are disseminated they take the small packages and they put them upon a plat, and finally get sufficient quantity with which to plant their crop, thereby selecting such seed as are adapted both to soil and climate.

Again, Mr. Chairman, the farmers of the South are determined to enter into the growth and the production, more than ever, of live stock, and in order to do that they must sow to grasses, and the grass seed is in great demand, and I only wish that we had more of those seed which we could send to the farmers with which they could experiment and get the very best grass possible. [Applause.]

Mr. STEVENS of New Hampshire. Mr. Chairman, I shall vote in favor of the amendment to strike out the paragraph. I realize what I may say will have no practical influence with Members, because this is one of the few subjects which come

before the House which every Member knows about already. We all get the seeds and we know what the seeds are and we know how they are distributed. Judging from my own experience, I think a large part of the seed are wasted and never get into the ground. Even if every seed was used, I do not think the Government should be in the business of distributing ordinary, everyday kind of commodities, which can be bought in any city store and any country store, any more than it should distribute pins or needles or fertilizer or food. I wish to say that in my State, which is quite an agricultural State, the Farmers' Grange, which is the one big organization which includes all the farmers of the State, adopted unanimously, without any opposition, a resolution at its last State convention condemning and disapproving the free distribution of garden seed by the Government. Let me say, further, that any man who is a real gardener and takes much interest or pains in his garden will not plant any Government garden seed to rely upon, but will get standard seeds, which he knows to be true to name and of real value.

Mr. CANDLER of Mississippi. Will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes, sir.

Mr. CANDLER of Mississippi. Does not the gentleman know that every seed that is sent out by the Department of Agriculture by this congressional seed distribution is tested and required to come up to a certain standard of vitality and must be true to type?

Mr. STEVENS of New Hampshire. Well, I have no doubt the seeds have vitality, but they are the ordinary garden seed, just as you can buy in any country or any city store or in any grocery store through New England; and anyone who wants special brands—unusually good seeds—he buys them from an established recognized seed house, and he does not have those sent out by the Government or by anybody else.

Mr. CANDLER of Mississippi. They are tested by the Government, and if the Government is competent to test them they must come up to standard; every one is tested.

Mr. STEVENS of New Hampshire. I want to say the seeds which were given to me consisted of radish, lettuce, carrots, and beets, not one of which was a rare or unusual kind or was of any particular value over the seeds which we buy in our local stores at 5 and 10 cents a package.

Mr. MOORE. Mr. Chairman, reading the amendment offered by the gentleman from North Dakota [Mr. Young], I find that he proposes to strike out "vegetable and flower seed suitable for planting and culture in various sections of the United States." That being clearly a discrimination against the urbanite, of course I would have to oppose the amendment. Why vegetable and garden seed should be stricken out I can not understand.

If the purpose of the amendment is to please the farmer and cut out those who cultivate gardens, it is unquestionably a discrimination, and a very unfair one.

These vegetable and garden seeds, it may be contended, have no place in a great city. But that idea is erroneous. I represent a district that does not have a full acre of unimproved ground in it, and yet there are many people there who look regularly for those seeds. To take away the vegetable and garden seed from the city people, and leave all other seed to be distributed elsewhere, would mean that a very large proportion of our population would be deprived of one of the real pleasures they now have in life. As to many of my own constituents, the distribution of the seed means a little sunshine within the brick walls; it means a little blossom, a little perfume to homes that are far removed from the free, pure air of the country, and where that wholesome atmosphere is sorely needed. It may be thought by some who come from the country districts that we have no use for those seeds, but let me say that the man or the woman or the child who lives in my district and who watches the growth of the plant—

Mr. CLINE. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Indiana?

Mr. MOORE. I do.

Mr. CLINE. I want to inquire of the gentleman from Pennsylvania what the real purpose is in contributing garden seeds?

Mr. MOORE. Apparently it is to bring the blessings of sunshine and the aroma of flowers to all the people, including the farmers and the dwellers in the cities. [Applause.] It may be educational. I think it is. There are gentlemen on that side who can explain that feature of it better than I can. I am simply saying that if seed are to be distributed, they ought not to be distributed in only one section or to one class of our people; and in respect to garden or vegetable seed, I was trying to inform the House that every package of them which goes into a great congested district like mine does actually bring a little

ray of sunshine, a little bit of cheer, into a home or into a school where it did not exist before. [Applause.]

Mr. CLINE. I was asking the question of the gentleman for the purpose of securing information. I did not understand whether it was for the purpose of bringing sunshine into the homes or—

Mr. MOORE. I think a Government that fails to bring sunshine into the homes of its people would be a failure. I think this is the time of year and this the time of all times when it would pay to bring a little sunshine into the homes of our people, for some of them are sorely distressed. These seed go into the schools of my district; they go into the houses of the poor in my district; and here they appear in a little box in some tidy window in a mere bucketful of earth. They are stuck outside the windows of our dwellings or on the fire escape or in the balconies of our schools. They are a delight to our housewives and an object lesson to our children in the joy and the pride of cultivating nature. Take away the garden seeds from the city districts and you will remove some of the few remaining beauty spots in the already congested centers. We have recently encouraged the children, and the grown persons, too, to cultivate the vacant lots. The work has interested many of our poorer families, who have little opportunity to go out and get the pure air of the country. They are too closely confined to the restricted and congested areas, from which there seems to be no escape, and the cultivation of these garden spaces helps.

Mr. CLINE. Mr. Chairman, will the gentleman yield further?

Mr. MOORE. I yield to the gentleman from Indiana. I wish we could add more of his areas to our section. We helped to build up the State of Indiana. Philadelphia has contributed some of its best blood to that State, and we are proud of the progeny of the people from Philadelphia who settled there. Some day we hope to connect up with them by means of the gentleman's canal right across from Toledo. [Laughter.]

Mr. CLINE. I wish to remind the gentleman, too, that the Government sends out alfalfa seeds and other seeds of that kind.

Mr. MOORE. Well, having no further time at my disposal, I would refer that proposition to the gentleman from Oklahoma [Mr. MURRAY], who is an expert on the subject. [Laughter.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. POWERS. Mr. Chairman, I am in favor of this section of the bill as it has been written by the committee. I see no reason why this Government should not continue to furnish flower and vegetable seeds to the farmers of the country as it has done in the past. They are entitled to them. Take, for instance, the question of pensions. This Government appropriates annually for the pensioners of this country in the neighborhood of \$180,000,000. That costs practically every man, woman, and child in this country \$2 a year. Upon that basis every man who is the head of a family of five contributes to that expense, of his substance, \$10 a year.

I am not complaining of that. Take, for instance, the river and harbor appropriation, which averages annually about \$40,000,000. The money so expended peculiarly benefits those who live around the harbors and on the navigable streams of the country. Most of the farmers live away from them. The farmers throughout the land are not the ones peculiarly benefited by such appropriations, yet they help to foot the bill. Again, take the money expended on public buildings throughout the country. Most of this money is expended on the public buildings in the towns and big cities of our land. The farmers of our country help, out of their means, to make up these various appropriations. The farmers of our land are taxed like other people to help defray the running expenses of this great Government all along the line. They are its strength in time of peace, its bulwark in time of war. It is nothing but just, it is nothing but fair, it is nothing but right that the farmers in return should get some little benefit from the Government they so loyally support.

Mr. YOUNG of North Dakota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Kentucky yield to the gentleman from North Dakota?

Mr. POWERS. I yield.

Mr. YOUNG of North Dakota. Does not the gentleman believe that if we propose to do something of real value for the farmer we ought to send them seed that will have some special value to them, either on account of the fact that they can not buy it at the nearest market town or on account of the fact that it is a new variety, a new kind of seed, that he otherwise would not be able to get? Does not the gentleman believe that the department itself should be given the discretion to send out that

kind of seed rather than be forced by law to send out these almost worthless vegetable and flower seeds?

Mr. POWERS. I think the gentleman, usually right as he is, has entirely the wrong idea of this section of the bill. As I understand it, the Department of Agriculture has the power, and it is its duty under this law, not only to furnish good seeds of the best varieties it is capable of buying, either at public or private sale, but it is its further duty to send to the various sections of this country that character of seeds which is adaptable to that particular section. I think the gentleman has the wrong idea and the wrong notion of what the law actually is, and is intended by this bill to be.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CANDLER of Mississippi. Mr. Chairman, how much time remains?

The CHAIRMAN. Seven minutes.

Mr. STAFFORD. I ask unanimous consent that the gentleman from Mississippi be allowed to use that time.

The CHAIRMAN. If no one desires to speak, the Chair will put the question.

Mr. STAFFORD. I have submitted a request for unanimous consent.

The CHAIRMAN. The gentleman from Mississippi would be entitled to control the time.

Mr. CANDLER of Mississippi. Mr. Chairman, I fully agree with the distinguished gentleman from Ohio [Mr. GORDON] that the amount involved here will make no difference, so far as what he has to say is concerned, because his speech this time will have about as much effect as the speeches usually made upon this floor in opposition to this appropriation, and that is no effect at all. If you will look into the situation, you will find in the gentleman's home city, where he lives, one public building that cost more than the amount of the distribution of these seeds for many years combined. Still he complains about sending a package of seeds to the farmers of this country. He prefers palaces for city people to seeds for farmers. [Applause.] I did not believe it necessary to say anything, but the chairman [Mr. LEVER] insists that I do so, and therefore I will submit a few remarks. I am glad my friend from North Carolina [Mr. PAGE] did not desire to provoke me into saying anything, although I know everything I ever said upon this subject has been very entertaining to him as well as to everybody else on the floor of this House. [Laughter and applause.] If it was not entertaining I would not have so many urgent invitations to address myself to this important subject. During the past few days I have been invited by many Members on the floor of this House to be sure and submit some of my brilliant remarks upon this question. [Applause and laughter.] It always affords me pleasure to accommodate my many good friends—Democrats and Republicans—and it makes me happy to stand up for those things that are for the welfare and the prosperity of the people, and especially of those who make a living by digging it out of the ground. [Applause.] If there are any people on earth whom I desire to help and to sustain and to make happy and prosperous, it is that class of our citizenship who stand behind this great Republic in time of peace and who stand at the front with those who defend it in time of war. They are the people who live close to nature and hear the birds sing and see the flowers grow and produce the wealth of this country and plant these seeds which we send them and produce from the ground sustenance which helps to sustain their lives and the lives of their beautiful, bright-eyed, rosy-cheeked children who grow up in close touch and association with nature in its beauty, to the honor and glory of this great Republic. [Applause.]

I am glad that my friend from North Carolina [Mr. PAGE] finds that all the efforts he has made in the past have been ineffective to prevent this appropriation, and that, therefore, he is willing to cease his opposition to it; and when my friend from North Dakota [Mr. YOUNG], who is now "young," grows older and has remained here as long as the distinguished gentleman from North Carolina [Mr. PAGE] has been here he will find that his efforts are ineffective, and he will cease to waste his time in trying to prevent the people receiving this little remembrance from "Uncle Sam" which we send them year by year. [Applause.] So I beseech you all, my fellow distinguished Members, in the days which are to come to let the people alone in the reception of those things which are good for them and bend your energies to bring greater happiness and prosperity to them, to their homes, to their wives and their children. I commend my distinguished and good friend from Pennsylvania [Mr. MOORE] for the beautiful sentiments which he has uttered today, and I am glad he has announced himself upon this occasion as one of the advocates of this appropriation and one of the

friends of the lovely children and beautiful ladies in his district who write to him for these packages of seeds, which he promptly sends as tokens of his interest in their welfare. He serves his people with great ability and fidelity here in this and all other great matters and merits and receives their and our commendation. [Applause and laughter.] May he, with us, continue the good work, and may prosperity ever enlarge and expand until all the people of this great Republic will be made happy in the reception of these splendid seeds, which will blossom forth into beautiful flowers and wholesome food, to the gratification and delight of the citizens of this glorious country. [Great applause and laughter.]

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The question being taken, on a division (demanded by Mr. YOUNG of North Dakota) there were—ayes 25, noes 68.

Accordingly the amendment was rejected.

Mr. PAGE of North Carolina. Mr. Chairman, I move to strike out the paragraph.

The CHAIRMAN. The gentleman from North Carolina moves to strike out the paragraph.

The question being taken, on a division (demanded by Mr. PAGE of North Carolina and Mr. GORDON) there were—ayes 29, noes 66.

Mr. YOUNG of North Dakota. I demand tellers.

Tellers were refused, not a sufficient number seconding the demand.

Mr. YOUNG of North Dakota. I make the point of no quorum present.

The CHAIRMAN. The gentleman from North Dakota makes the point of no quorum present. The Chair will count. [After counting.] One hundred and twenty-five Members present, a quorum. The Clerk will read.

The Clerk read as follows:

FOREST SERVICE.

Salaries, Forest Service: One forester, who shall be chief of bureau, \$5,000; 1 chief of office of accounts and fiscal agent, \$2,500; 7 district fiscal agents, at \$2,000 each; 1 forest supervisor, \$2,700; 1 forest supervisor, \$2,600; 8 forest supervisors, at \$2,400 each; 20 forest supervisors, at \$2,200 each; 48 forest supervisors, at \$2,000 each; 66 forest supervisors, at \$1,800 each; 5 forest supervisors, at \$1,600 each; 1 deputy forest supervisor, \$1,800; 4 deputy forest supervisors, at \$1,700 each; 28 deputy forest supervisors, at \$1,600 each; 31 deputy forest supervisors, at \$1,500 each; 18 deputy forest supervisors, at \$1,400 each; 10 forest rangers, at \$1,500 each; 22 forest rangers, at \$1,400 each; 78 forest rangers, at \$1,300 each; 287 forest rangers, at \$1,200 each; 650 assistant forest rangers, at \$1,100 each; 80 forest guards, at \$1,100 each, for periods not exceeding six months in the aggregate; 1 clerk, \$2,100; 4 clerks, at \$2,000 each; 19 clerks, at \$1,800 each; 20 clerks, at \$1,600 each; 9 clerks, at \$1,500 each; 21 clerks, at \$1,400 each; 8 clerks, at \$1,300 each; 112 clerks, at \$1,200 each; 88 clerks, at \$1,100 each; 51 clerks, at \$1,020 each; 30 clerks, at \$960 each; 107 clerks, at \$900 each; 2 clerks, at \$840 each; 1 compiler, \$1,800; 1 draftsman, \$2,000; 3 draftsmen, at \$1,600 each; 2 draftsmen, at \$1,500 each; 6 draftsmen, at \$1,400 each; 4 draftsmen, at \$1,300 each; 9 draftsmen, at \$1,200 each; 2 draftsmen, at \$1,100 each; 3 draftsmen, at \$1,020 each; one draftsman, \$960; 4 draftsmen, at \$900 each; 1 artist, \$1,400; 1 artist, \$1,000; 3 map colorists, at \$900 each; 1 map colorist, \$720; 1 photographer, \$1,600; 1 photographer, \$1,400; 1 photographer, \$1,200; 1 photographer, \$1,100; 1 lithographer, \$1,200; 1 lithographer's helper, \$780; 1 machinist, \$1,260; 1 carpenter, \$1,200; 2 carpenters, at \$1,000 each; 1 carpenter, \$960; 1 electrician, \$1,020; 4 laboratory aids and engineers, at \$900 each; 1 laboratory aid and engineer, \$800; 1 laboratory helper, \$720; 1 laboratory helper, \$600; 1 packer, \$1,000; 1 packer, \$780; 4 watchmen, at \$840 each; 1 messenger or laborer, \$960; 3 messengers or laborers, at \$900 each; 4 messengers or laborers, at \$840 each; 3 messengers or laborers, at \$780 each; 4 messengers or laborers, at \$720 each; 6 messengers or laborers, at \$660 each; 5 messengers, messenger boys, or laborers, at \$600 each; 2 messengers, messenger boys, or laborers, at \$540 each; 3 messengers, or messenger boys, at \$480 each; 3 messengers, or messenger boys, at \$420 each; 12 messengers, or messenger boys, at \$360 each; 1 charwoman, \$540; 1 charwoman, \$480; 1 charwoman, \$300; 11 charwomen, at \$240 each; in all, \$2,335,580.

Mr. FOWLER. Mr. Chairman, I desire to reserve the point of order against the paragraph.

Mr. STAFFORD. Mr. Chairman, I notice that there have been some changes in the phraseology in the item under consideration from that of last year, particularly as to the designation of assistant forest rangers to forest guards. I believe the explanation of the department is that it is the desire to take these officials out from the civil service.

Mr. LEVER. The explanation is this: The designation "forest guards" is substituted for the designation "assistant forest rangers" hitherto used to designate the 80 six-months places provided in the present appropriation. The change is made to accommodate these positions to the rules of the Civil Service Commission, the designation "forest ranger" being reserved for employees in the permanent force on the national forests, whereas the employment of men for periods not exceeding six months is temporary in character, and such men are not necessarily drawn from the civil-service register. The only effect of

this change is to avoid the difficulties experienced this year in filling these positions on short notice during the fire season.

Mr. STAFFORD. I wish to inquire whether under the old practice, in describing these men as assistant forest rangers, they were not obliged to take a civil-service examination.

Mr. LEVER. Yes; under the old designation that is true.

Mr. STAFFORD. And the effect of the change is to remove from the civil service appointees who were formerly on the classified list.

Mr. LEVER. The statement is:

The employment of the men for the purpose is not exceeding six months, and is temporary in character and not necessarily drawn from the civil service.

So my former statement is incorrect.

Mr. STAFFORD. Is the gentleman positive about that?

Mr. LEVER. I am quoting from the hearings.

Mr. STAFFORD. The language is ambiguous. I know it has been stated that they should be lifted from the civil service, and the argument is that they are only to be employed six months at a time, whereas the forest rangers proper are to be employed during the year. The language does not convince me that these assistant forest rangers are not obliged to take the civil-service examination.

Mr. LEVER. As I gather, the civil service has reserved for itself the title "forest rangers." Now, "assistant forest rangers" would be an encroachment on the other title, and the purpose of this redesignation is to get rid of the difficulty. That is the explanation given to us.

Mr. STAFFORD. The gentleman realizes that if a person is employed only six months in each year it would not necessarily follow that they should be removed from the civil service.

Mr. LEVER. My idea is, from the recollection of the situation and reading the language, that the Forest Service has been under no necessity of taking these temporary men from the civil-service list.

Mr. MANN. May I ask the gentleman a question?

Mr. LEVER. Certainly.

Mr. MANN. Are not these what they call temporary appointments?

Mr. LEVER. Yes.

Mr. MANN. Under existing law the temporary appointments are made with the consent of the Civil Service Commission and not necessarily from the eligible list.

Mr. LEVER. That is the language and the explanation—not necessarily drawn from the eligible list.

Mr. STAFFORD. The Postal Service sometimes has a large number of temporary employees, and they are drawn from the eligibles on the civil-service list. These forest guards are temporary in one sense, and in another sense they are permanent. They are temporary only for a portion of the year, but permanent because they are appointed for each succeeding year.

Mr. LEVER. I think the gentleman is mistaken about that.

Mr. STAFFORD. According to the report of the department, they are employed six months each year.

Mr. LEVER. That might be true, but there are different seasons of the year, and they may be different individuals.

Mr. STAFFORD. They are employed for six months each succeeding year in the same forest reserve.

Mr. LEVER. But not necessarily the same individuals.

Mr. STAFFORD. That might be, if you had them on the permanent roll.

Mr. LEVER. If you had them on the permanent roll, that would be true.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. JOHNSON of Washington. Does this mean 80 forest guards at \$1,100 each for six months?

Mr. LEVER. No; it means at the rate of \$1,100.

Mr. JOHNSON of Washington. Would not there be confusion between the legitimate forest guards in the Indian Service and the regular forest rangers?

Mr. LEVER. I would not think so.

[Mr. JOHNSON of Washington addressed the committee. See Appendix.]

Mr. FOWLER. Mr. Chairman, there is a point of order pending against the paragraph. I desire to inquire of the chairman in reference to the provision, "One chief of office of accounts and fiscal agent, \$2,500."

Mr. LEVER. What line and page?

Mr. FOWLER. Page 25, lines 14 and 15. I desire to know how that got into the bill.

Mr. LEVER. It has been in the bill ever since I have been handling it.

Mr. FOWLER. I beg the gentleman's pardon; he is mistaken.

Mr. LEVER. The gentleman from South Carolina knows better than the gentleman from Illinois; it was in last year's bill.

Mr. FOWLER. That is true.

Mr. LEVER. Last year was the first year I handled the bill, so that my statement is correct after all, is it not?

Mr. FOWLER. The gentleman has handled it twice, has he not?

Mr. LEVER. No.

Mr. FOWLER. Has not the gentleman been chairman of the committee during the preparation of two bills?

Mr. LEVER. Oh, no; this is my first term as chairman.

Mr. FOWLER. This is the gentleman's second bill?

Mr. LEVER. This is my second bill, and that is the reason why I am modest and shaky.

Mr. FOWLER. The gentleman is exceedingly modest because he is so strong.

Mr. LEVER. No; this has been in the bill ever since I have handled it.

Mr. FOWLER. I thought the gentleman meant since he had been on the committee. But in the bill for the fiscal year ended June 30, 1914, it does not carry this provision at all, and in that bill it is provided that all salaries fixed in this bill should be the fixed sum.

Mr. LEVER. That may be, and yet it would not make this subject to a point of order.

Mr. FOWLER. I am asking the gentleman how it got in the bill.

Mr. LEVER. It came in the bill probably by a transfer from the lump-sum fund, but I can not recall it two years back; the gentleman ought to know that, with a bill of over 1,000 items in it.

Mr. FOWLER. The gentleman is so resourceful he would lead everyone to believe that he knows everything connected with the bill.

Mr. LEVER. Well, I really can not tell the gentleman how it got into the bill. I can get some information for him, if he will give the Clerk a little time to run back over the hearings and find out. There is no change from last year's appropriation, and hence I have no information prepared.

Mr. FOWLER. Mr. Chairman, I apprehend that the way this position and the salary attached thereto came into this bill and the former bill was through a lump-sum proposition wherein the head of a division is given the authority to employ men as far as necessary in his bureau. In consequence thereof he gave to some of his friends or some of the employees a very low salary and others he employed at a very extravagant salary, and then he came in with the extravagant salaries and asks the Committee on Agriculture, or any of the rest of the appropriating committees as far as that is concerned, that they be incorporated in the appropriation bill as fixed positions and fixed salaries in the bill.

Now, Mr. Chairman, that would amount to a comedy if it were not for the fact that its effect upon the Treasury is a tragedy. Really I can not say whether this position is needed or not. One thing I do know is that so far as my investigations have been made that it is injected in here for the second time. Now, the rule of parliamentary procedure is that unless an office is fixed by organic law a point of order when interposed will be sustained against it. There is no law fixing this office in the organic statute. It will not do, Mr. Chairman, to say that this position came from the lump sum, and for that reason it found its way into this bill as a permanent office with a fixed salary.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOWLER. I make the point of order against it.

Mr. LEVER. Mr. Chairman, does the Chair desire to hear from me on the point of order? The point of order is so badly taken I do not desire to take up the time of the committee to argue it.

The CHAIRMAN. The Chair would like to hear from the gentleman whether there is any existing law authorizing this.

Mr. HAWLEY. Can not the committee understand what the point of order is—what line and page?

The CHAIRMAN. The present occupant of the chair was not in the chair at the time the point of order was made.

Mr. LEVER. It is page 25, line 14, "one chief of office of accounts and fiscal agent, \$2,500." I want to call the attention of the Chair to section 169, which I have quoted here so many times:

Each head of a department is authorized to employ in his department such number of clerks of the several classes recognized by law and such messengers, assistant messengers, copyists, watchmen, laborers,

and other employees and at such rates of compensation, respectively, as may be appropriated for by Congress from year to year.

I find also, I will say to the Chair, in answer to the gentleman from Illinois, that this officer was transferred from the Division of Accounts last year. As I now recall, my recollection having been refreshed, he was transferred from the Division of Accounts and Disbursements to the Forest Service, which the gentleman will see in the hearings. But notwithstanding that, it is not subject to a point of order.

Mr. FOWLER. Mr. Chairman, if it be true that a power was conferred upon the Department of Agriculture to make a rearrangement of the different bureaus so that they might conform to the best interests of the Agricultural Department, then I grant that under the organic statute the Secretary of Agriculture might make such transfers as he deems proper not in violation of the statute. But the organic law creating the Department of Agriculture, which the chairman of the Committee on Agriculture has just read, does not serve his purpose, because it gives the heads of the department the right only to employ at such wages as they may deem proper sufficient force to carry out the duties of the various bureaus.

Now, they can do that this year under the organic law, and they can do it next year under the organic law, but that does not justify the Committee on Agriculture in placing it in this bill as a fixed office at a fixed salary. To say that the organic law creating the Department of Agriculture and conferring upon the chiefs of the various bureaus the right to employ a force to discharge the duties of the various bureaus justifies the creation of an office by Congress which has not heretofore been in existence is contrary to the legislative practice of Congress, and it can not be sustained, because the rule is that if a position has not been created by organic law, then it has no place in the bill and is subject to a point of order.

Now, if the gentleman is correct, Mr. Chairman, that this position had previously been authorized and inserted in another bureau and was transferred to the Bureau of Forestry for convenience, then, Mr. Chairman, I concede that that might have been done. As I recollect, Mr. Chairman, that position did not have its existence in the bill when the Committee on Agriculture secured the passage of a little paragraph of two and a half lines covering in all of the great irregularities of the past back from time immemorial or from the time the Department of Agriculture was established. I say if it did not have an existence at the time this little clause was passed 18 months ago for the purpose of covering in everything, as a hen hovereth over her brood in time of storm, then, Mr. Chairman, it ought not to have any place in this bill.

Mr. LEVER. Mr. Chairman, in the current law, upon the recommendation of the committee, acting under the provisions of the Dockery Act, which requires that the accounting in each bureau shall be done in that bureau, and in the interpretation of that act by the Department of Agriculture and by a later statute, also, the central division of accounts and disbursements was almost dismantled. I read from my report accompanying the current law last year:

There is a decrease in the above appropriation—

Referring to the Division of Accounts and Disbursements—of \$43,050, as indicated by the following table.

Then, I give the places transferred and the offices from which they were transferred, and in that list I find places transferred to other bureaus, among them the Forest Service—one chief, Office of Accounts, and fiscal agent, \$2,500—so that this is nothing more nor less than a transfer under the present law.

The CHAIRMAN (Mr. ADAIR). Let me ask the gentleman from South Carolina, Was this same item carried in the bill last year?

Mr. LEVER. It was—and in the year before that it was in another place in the Department of Agriculture—in the Division of Accounts and Disbursements.

The CHAIRMAN (Mr. ADAIR). The Chair is ready to rule. The Chair is of opinion that under section 169 that has been read and under the privilege given the department to employ such messengers, assistant messengers, copyists, laborers, and so forth, as are necessary the point of order is not well taken, and is therefore overruled. The Clerk will read.

The Clerk read as follows:

General expenses, Forest Service: To enable the Secretary of Agriculture to experiment and to make and continue investigations and report on forestry, national forests, forest fires, and lumbering, but no part of this appropriation shall be used for any experiment or test made outside the jurisdiction of the United States; to advise the owners of woodlands as to the proper care of the same; to investigate and test American timber and timber trees and their uses, and methods for the preservative treatment of timber; to seek, through investigations and the planting of native and foreign species, suitable trees for

the treeless regions; to erect necessary buildings: *Provided*, That the cost of any building erected shall not exceed \$650; to pay all expenses necessary to protect, administer, and improve the national forests; to ascertain the natural conditions upon and utilize the national forests; and the Secretary of Agriculture may, in his discretion, permit timber and other forest products cut or removed from the national forests to be exported from the State, Territory, or the District of Alaska in which said forests are respectively situated; to transport and care for fish and game supplied to stock the national forests or the waters therein; to employ agents, clerks, assistants, and other labor required in practical forestry and in the administration of national forests in the city of Washington and elsewhere; to collate, digest, report, and illustrate the results of experiments and investigations made by the Forest Service; to purchase necessary supplies, apparatus, and office fixtures, and technical books and technical journals for officers of the Forest Service stationed outside of Washington, and for medical supplies and services, and other assistance necessary for immediate relief of artisans, laborers, and other employees engaged in any hazardous work under the Forest Service; to pay freight, express, telephone, and telegraph charges; for electric light and power, fuel, gas, ice, washing towels, and official traveling and other necessary expenses, including traveling expenses for legal and fiscal officers while performing Forest Service work; and for rent outside of the District of Columbia, as follows.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] reserves a point of order on the paragraph.

Mr. STAFFORD. Mr. Chairman, I notice that the committee has engrafted a new idea on this paragraph in extending the aid given to the forest force, not only in giving them supplies for medical treatment, but also giving them professional services. Here we have an item that has no limitation whatsoever on the amount that may be expended. The forest superintendents might go to the extreme of spending unlimited amounts of money for the care and treatment of employees injured in the Forest Service.

I am in sympathy, I may say to the gentleman, with the idea of providing medical services, so that in case of injury the amount of compensation that might be recovered will be reduced by immediate medical attention. But I will put this query to the gentleman: Whether or not he does not think there should be some limitation on the amount that might be expended in any one case by these subordinates in the field? Otherwise some subordinate official in a forest reserve might run up a very large bill for medical services, and it would be paid without the cognizance of any bureau chief, and certainly without that of the committee having this matter under their direct scrutiny.

Mr. LEVER. That matter was put in the bill, I will say to the gentleman from Wisconsin, at the urgent request of the Chief Forester, Mr. Graves. The cross-examination of Mr. Graves was made by Mr. HAWLEY. I read:

Mr. GRAVES. On page 79 there are a few changes in language. You will notice in the middle of the general introductory clause there are a few words added, "and for medical supplies and assistance." The words "for" and "assistance" are added.

Mr. HAWLEY. Should not that be "attendance"? Mr. GRAVES. Last year we got the authority to purchase medical supplies, but we have not had authority to employ medical aid in case of injury to our men in fighting fires, and when we have—

Mr. HAWLEY (interposing). It says "assistance necessary for immediate relief of artisans." Should not that word "assistance" be "attendance"? Do you not mean medical attendance?

Mr. GRAVES. The word "assistance" was designed to cover both the attendance and such expenses as, perhaps, for taking a man out. At the present time, if a man breaks his leg and is taken out from the forest to the nearest headquarters or town, it is impossible for the Government to pay the expense of transporting him.

Mr. HAWLEY. Yes. Mr. GRAVES. And a number of instances have occurred where the forest officer or the ranger has had to pay \$25 or \$30 to transport men who have been injured, and a number of times they have had to pass the hat around for that kind of assistance.

Now, we have the authority here not only for providing him with medical supplies but the authority to pay some man who would take him out on a litter and take him to some place where he could be restored to health.

Mr. STAFFORD. No. The result of this amendment will be to pay for professional services so long as the injury continues. That is the way I read the report of the Chief Forester.

Mr. LEVER. That is not the way I read the statement of Mr. Graves. I have only the statement of Mr. Graves, which I have read to the gentleman.

Mr. STAFFORD. The gentleman is reading from the hearings?

Mr. LEVER. Yes.

Mr. STAFFORD. I direct the attention of the gentleman to the language found in the note to the draft copy of the supply bill, where it is much more specific as to the purpose intended by this amendment.

Mr. LEVER. Please read the language.

Mr. STAFFORD. It says:

Under this legislation the Forest Service appropriation becomes liable for the payment of salaries or wages of employees of the service injured while engaged in hazardous employment, during the period of disability, but not exceeding one year from the date of disability.

From the frequently hazardous nature of their duties, the employees of the service are peculiarly liable to injuries, and it is in the interest not only of the humane treatment of employees injured in the course of their employment but also in the economy of expenditure in the public funds that such injuries be given adequate medical treatment immediately, thereby reducing the period of disability for which the Government becomes liable under the compensation act.

I said I was in sympathy with the purpose to be attained by this provision, but I put this query to the gentleman: Whether, with the unlimited thousands of dollars at the disposal of these subordinate officials in the field, there should not be in each instance some limitation placed as to the amount that may be expended for medical services in the treatment of an injured employee?

Mr. LEVER. Probably the gentleman is right; but how could we anticipate 12 months in advance just how much would be necessary? Suppose there should be a tremendous outbreak of forest fires, such as we had in 1910, when a great many men were injured and some killed, I believe. How could we anticipate that?

Mr. STAFFORD. You could readily anticipate it by saying that in no one instance should there be expended more than \$200 or \$300 in the medical treatment of any person injured by reason of accident incurred in the service.

Mr. LEVER. You would limit it as to the individual?

Mr. STAFFORD. Of course; so that these subordinate officials in the field, who have not any too great regard for Uncle Sam's Treasury in the matter of putting their hands into his pocket, would be limited in the expenditure which they could make.

Mr. LEVER. The gentleman is one of the leaders on that side of the House, and ought not to indulge in any such language.

Mr. STAFFORD. I respectfully disavow holding any such place.

Mr. LEVER. I do not believe the gentleman thinks that these men would put their hands in the Treasury to spend money unnecessarily.

Mr. STAFFORD. I do believe that they are not as careful in the expenditure of public money as they would be in the expenditure of their own funds.

Mr. LEVER. I do not know but what that is true of all Government officials, including Members of Congress.

Mr. STAFFORD. And that is why I believe there ought to be some limitation placed here.

Mr. MANN. Will the gentleman yield to answer a question?

Mr. STAFFORD. I shall be very glad to.

Mr. MANN. This item, as I understand it, is only for immediate relief.

Mr. LEVER. For immediate relief, of course.

Mr. MANN. The language does not contemplate that the Government shall pay for the medical attention to somebody who is injured, except for the immediate relief.

Mr. LEVER. As I gather it from Mr. Graves's testimony and from his statement to me, it refers to a case of this kind: A man is hurt in the forest—in a forest fire, or otherwise. He is 10 miles away from headquarters. There is somebody in the neighborhood who has a horse and wagon; they pick him up and put him into the wagon and carry him to headquarters, and give him medical attention; but there is no authority in law to pay the man for his service in carrying the injured man to headquarters. That is all there seems to be to it.

Mr. MANN. As a matter of practice now, where we furnish medical supplies for immediate relief is that intended to cover hospital supplies for six months?

Mr. LEVER. Not at all.

Mr. MANN. I think the suggestion of the gentleman from Wisconsin is a good one, if it will work out.

Mr. STAFFORD. I direct attention to the fact that the language recommended by the committee is not the language recommended by the department. This language is capable of a different construction to what the gentleman suggests. The language recommended by the department is as follows:

And for medical supplies and assistance necessary for immediate relief of artisans, laborers—

And so forth. You will notice that the language recommended by the committee is:

And for medical supplies and services, and other assistance necessary for immediate relief of artisans, laborers—

And so forth. Under the phraseology as recommended by the committee the department would have the right to pay for the entire expenses of medical treatment of any injured employee until he recovered.

Mr. LEVER. It says—

For immediate relief.

Mr. STAFFORD. Oh, no.

Mr. LEVER. Well, but I can read. It says—
Necessary for immediate relief.

Mr. MANN. The comma ought to be stricken out.

Mr. STAFFORD. The comma is most potential in the authority which will be given to these officials.

Mr. LEVER. The gentleman means the comma after the word "services"?

Mr. STAFFORD. After the word "services."

Mr. LEVER. If that will cure the situation, we have no objection.

Mr. STAFFORD. I am not sure that would cure it.

Mr. MANN. If we should fix a limitation of \$200 in each case, would not that be considered by the department as authority to expend that sum of money in each case?

Mr. LEVER. That would be my fear.

Mr. STAFFORD. The gentleman ought to know that in every case where there happened to be a little injury they would not spend that much.

Mr. MANN. I am not speaking of a case where there is a little injury.

Mr. STAFFORD. If there was a little injury, then they would be subject to severe criticism if that amount was expended for that purpose.

Mr. LEVER. Here is a man who has his leg cut off. Would they put him in a hospital and keep him until he got well?

Mr. MANN. Or a man is badly burned in a forest fire.

Mr. LEVER. If gentlemen desire the comma to be stricken out, I will offer the amendment.

Mr. STAFFORD. I would like to inquire why the committee did not adopt the language recommended by the department?

Mr. LEVER. My recollection is that the testimony before the committee upon a close examination of a witness by the gentleman from Oregon [Mr. HAWLEY] brought out the suggested change. That is my recollection of it.

Mr. STAFFORD. Why do you want the words "other assistants" here? Does not the phraseology meet all conditions to say "medical supplies and services"?

Mr. MANN. You want to cover the case of medical supplies. There might be some doctor there who ought to be employed to protect the man who has been badly burned.

Mr. STAFFORD. That would come under "medical supplies."

Mr. MANN. The language in the bill is a little more explicit.

Mr. LEVER. Mr. Chairman, I offer the following amendment. The Clerk read as follows:

Page 28, line 20, strike out the comma after the word "services."

The amendment was agreed to.

Mr. LEVER. Before we go on, Mr. Chairman, I want to say that that comma was a typographical error.

Mr. HAUGEN. Mr. Chairman, on page 28 it has been suggested that the words "or the District" should be stricken out. It reads:

And the Secretary of Agriculture may in his discretion permit timber and other forest products cut or removed from the national forest to be exported from the State, Territory, or the District of Alaska.

Alaska is a Territory and not a District, and the courts have so held.

Mr. LEVER. Will the gentleman offer an amendment?

The CHAIRMAN. The Chair will state that a point of order is pending.

Mr. STAFFORD. Mr. Chairman, I have not withdrawn the point of order. I reserved it, but I shall not make it.

Mr. HAUGEN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 28, line 8, after the word "State," insert the word "or," and, in line 9, page 28, after the word "Territory," strike out the words "or the District of Alaska."

The amendment was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word, for the purpose of asking a question of the chairman of the Committee on Agriculture. I would like to ask in regard to the proposed medical attendance for the relief of artisans, laborers, and other employees. Does that mean peculiarly and distinctively the employees of the Forestry Service?

Mr. LEVER. In the field service.

Mr. JOHNSON of Washington. In case of a fire in a forest reserve, when all the citizens within reach are called upon, as they are under the law, to help fight the fire, they do not receive pay, and if they are burned or hurt, will they receive medical attendance under the wording of this bill?

Mr. LEVER. No; they do not.

Mr. JOHNSON of Washington. So the forest rangers are to have one more advantage over the people.

Mr. HAWLEY. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. HAWLEY. The testimony before the committee showed that persons temporarily employed to fight the fire would be given the assistance in case they were injured.

Mr. JOHNSON of Washington. The chairman of the committee says no.

Mr. LEVER. Then I did not catch the gentleman's question.

Mr. HAWLEY. If a large fire should break out in some forest, and in order to fight it an additional force of 20 men were employed to fight it, if any of them were injured during the work they would likewise be afforded the assistance provided here.

Mr. LEVER. I think they would then be employees and be entitled to compensation.

Mr. JOHNSON of Washington. But suppose 200 citizens are called upon and some of them are injured, and some even become temporarily insane; is there no medical attendance for them?

Mr. LEVER. We are taking care of people in the governmental employ, and we are not taking care of you or me.

Mr. JOHNSON of Washington. The law requires any person called upon to fight fire in the forest to comply regardless of pay.

Mr. LEVER. I did not know there was any such law.

Mr. JOHNSON of Washington. They have to fight the fire with the rangers.

Mr. LEVER. Under what law are they compelled to fight the fire, National or State?

Mr. JOHNSON of Washington. I am not sure. Perhaps it is a State law. I think the rangers have the right to call upon a man to drop his work, wherever it is, and assist in fighting the fire.

Mr. LEVER. That must be a State law, for I know of no Federal law.

Mr. HAWLEY. I think if there is any such law it must be a State law and not a Federal law.

Mr. JOHNSON of Washington. How do the forest rangers get the authority to call upon men?

Mr. HAWLEY. They have authority from the central office to have additional assistance when a fire breaks out, but I do not think they can compel anybody to do it.

Mr. JOHNSON of Washington. The fire is fought in connection with the employees of great corporations, by the Weyerhaeusers, for instance, and they employ for the occasion all they can pick up.

Mr. ANDERSON. The gentleman would not want the Government to pay for injuries to the employees of the large timber corporations, would he?

Mr. JOHNSON of Washington. No, indeed; and there is the great hole in the whole Forestry Service right now.

Mr. LEVER. The gentleman's suggestion would do that very thing.

Mr. JOHNSON of Washington. It would not. The poor people who are trying to make homes in these far-off forest reserves, when they are taken from their homes and put on horses and made to ride 20 or 30 miles to assist the Government in fighting a fire and come back home with their clothes torn off and frequently out of their heads for a week, are not treated as well as these forest rangers who hibernate in the winter in \$3,000 houses at the expense of the Government. And if you would take the time and look into it and find where the five and a half million dollars—

Mr. LEVER. But the gentleman would have some poor devil employed by the Federal Government who has been severely burned 15 miles away from home suffer agonies for lack of attention, medically and otherwise, because the gentleman is against the forest policy of the United States.

Mr. JOHNSON of Washington. No; the proposition that is now up to which I call attention is a proposition to pay these forest rangers and employees—

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Washington. I ask for five more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none.

Mr. LEVER. If the gentleman will permit, he wants to go further, because the suggestion, as I understand, is that he is willing to give to some farmer in the community who has been hurt in a forest fire—

Mr. JOHNSON of Washington. Some poor unfortunate who has undertaken to make a living on the hard terms imposed by a beneficent Government.

Mr. LEVER. Now, the gentleman wants to take care of some "farmer," but some poor devil employed by the Weyerhaeuser Corporation, who happens to be hurt, and he would make a distinction as to him, and he would not give any attention at all—

Mr. JOHNSON of Washington. The distinguished chairman of the committee is doing me an injustice.

Mr. LEVER. The corporation has not suffered from the fire, it is the poor devil who has fought the fire who happens to be an employee of that corporation.

Mr. JOHNSON of Washington. I think the chairman of the committee is doing me an injustice which I am sure he does not wish to do. I charge that the corporations have run over many of the forest reserves, that they assist in the management, and that they have cost the United States Government millions which should not have been expended. These poor men for whom I am speaking try to help the United States Government to fight fire. They are the men who have gone there to try to make homes; they want the locality to prosper, whereas these other men, these rangers and agents, who like to live in the open, have taken employment in the forest reserves, apparently for the purpose of harassing the settlers, and seem to enjoy making it hard for them to live. Only last fall on one of these reserves I met a man who was insane who had been taken by one of these rangers without one cent's pay and driven out into the front line of the fire and made to fight the fire. In that community are 10 to 15 forest employees living in a \$3,000 headquarters building, whereas the law provides only for a \$650 building.

Mr. HAWLEY. Will the gentleman yield for a question?

Mr. JOHNSON of Washington. With pleasure.

Mr. HAWLEY. Do I understand the gentleman correctly to say that the forest ranger has authority to go to any citizen of the United States and say to him that he must go and fight fire?

Mr. JOHNSON of Washington. I think he has authority to commandeer a citizen in the vicinity of the fire.

Mr. HAWLEY. I wish the gentleman would look it up and find out.

Mr. JOHNSON of Washington. At any rate he does it. He assumes authority, anyhow. I assure you the power of a forest ranger is quite beyond the belief of half the men on this floor.

The Clerk read as follows:

Alamo National Forest, N. Mex., \$3,578.

Mr. BOOHER. Mr. Chairman, I want to make a parliamentary inquiry. If a Member wishes to inquire about the receipts and disbursements of these forest reserves, whether it should be done at the beginning of the reading of this paragraph, or after all the items have been read?

The CHAIRMAN. The Chair thinks the gentleman can exercise his own judgment. At the end of any paragraph the gentleman has the right to take the floor for five minutes.

Mr. LEVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEVER. There are about 155 of these forest items. I think the Chair heretofore has ruled that each of these is a separate paragraph.

The CHAIRMAN. That is undoubtedly so.

Mr. LEVER. It seems to me that a Member could tie up the House in a short session of Congress on these forest items if that ruling is to be maintained. It seems to me that it is practically in the same category as the statutory roll, and that all of these several units ought to be considered as one paragraph.

Mr. JOHNSON of Washington. Mr. Chairman, on the contrary, all these paragraphs have been greatly changed. There is a reduction in every single one of them, and some paragraphs providing funds for new forests, and that reduction leads to the proposition later on in the bill to banish the so-called 15 per cent distribution of funds.

The CHAIRMAN. The Chair thinks each of these items is a separate paragraph, and will be so construed.

Mr. LEVER. All right.

Mr. BOOHER. Mr. Chairman, I move to strike out the last word. I want to say to the chairman of the Committee on Agriculture I do not propose to discuss each one of these items, or any one except the one just read. I notice in the report of the Chief Forester in the hearings before the committee that the Forest Service last year contains a greater deficit than the year before. Is that correct?

Mr. LEVER. I will answer the gentleman I am not sure the gentleman is correct about that, but I will have it in a minute.

Mr. BOOHER. The reason I ask that question is I have been unable from the reading of the report and of the hearings to determine that question.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BOOHER. Yes.

Mr. JOHNSON of Washington. When the gentleman says "deficit" does he mean actual deficit from the receipts of the Forest Service?

Mr. BOOHER. I mean how much more, if anything, it cost the Government to run the Forest Service than the receipts.

Mr. LEVER. The total expenditures of the national forests are as follows:

The national forests.	
SUMMARY.	
[Area, 187,505,627.]	
Total expenditures	\$4,163,493.81
Outstanding liabilities Aug. 31	26,204.21
Total allotment	4,189,788.02
Distributed among the several subactivities approximately as follows:	
Ordinary current expenses	3,237,017.50
Land classification	38,670.45
Survey of land	20,799.93
Cooperative fire	3,717.16
Fire and other emergency	146,168.05
Planting on national forests	147,148.93
Forest management	2,209.65
Forest products	109.44
National range investigations	144.49
Improvements	343,687.57
Roads and trails for States	250,114.76
Total	4,189,788.02

RECEIPTS FROM NATIONAL FOREST RESOURCES.	
Timber sale	\$1,243,195.37
Timber trespass	12,981.19
Timber settlement	39,927.11
Grazing	997,582.47
Grazing trespass	4,765.12
Fire trespass	7,940.89
Occupancy trespass	157.64
Special use	68,615.52
Water power	62,535.90
Total	2,437,710.21

Totaling \$2,437,710.21, this makes a difference which the Government must bear of \$1,750,000 in round numbers, but this does not include scientific, technical, and other lines of work carried on by the service. My recollection is that the receipts this year have slightly increased over those of last year.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Washington?

Mr. BOOHER. Yes.

Mr. JOHNSON of Washington. What was the difference that the Government would bear?

Mr. LEVER. One million seven hundred and fifty thousand dollars in round numbers for the individual forests.

Mr. JOHNSON of Washington. There must be something wrong in that, because we are appropriating \$5,500,000.

Mr. LEVER. The gentleman must understand that these receipts are covered into the Treasury as miscellaneous receipts and become available for other purposes.

Mr. JOHNSON of Washington. Let us take this particular reserve—the Alamo. I read:

Alamo National Forest, N. Mex.	
[Area, 941,790 acres.]	
Total expenditures	\$13,053.85
Outstanding liabilities, Aug. 31	46.16
Total allotment	13,100.01
Distributed among the several subactivities approximately as follows:	
Ordinary current expenses	\$12,308.30
Fire and other emergency	97.00
Improvements	507.71
Roads and trails for States	187.00
Total	13,100.01

RECEIPTS FROM NATIONAL FOREST RESOURCES.	
Timber sale	\$1,937.69
Timber trespass	68.75
Grazing	5,077.47
Grazing trespass	22.50
Special use	1,132.10
Total	8,238.51

That forest reserve is 941,000 acres in the State of New Mexico. It seems to have received for roads and trails \$187. I take it that is under the 10 per cent fund?

Mr. LEVER. Yes; I presume so.

Mr. JOHNSON of Washington. Then, the counties in which the reserve lies will receive out of the United States Treasury one-fourth of the income, which was \$8,000, or \$2,000 in round numbers; so that the State of New Mexico has received from

the income of that forest reserve, comprising almost a million acres, \$2,000 in lieu of taxes, and \$187 to be expended as the bureaucracy of the Forest Service may decide, for the building of trails in some other reserve. Is that correct?

Mr. LEVER. If the gentleman will permit me, I will give him the figures. The area is 941,790 acres. The total expenditures were \$13,053.85. The outstanding liabilities August 31 were \$46.16. The total allotment was \$13,100.01. This is distributed among the several subactivities approximately as follows: Ordinary current expenses, \$12,308.30; fire and other emergency, \$97; improvements, \$507.71; roads and trails for States, \$187; total, \$13,100.01.

The receipts from national-forest resources were: Timber sales, \$1,937.69; timber trespass, \$68.75; grazing, \$5,077.47; grazing trespass, \$22.50; special use, \$1,132.10; a total of \$8,238.51.

That has been turned into the Treasury. Does that answer the gentleman's question?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BOOHER. Mr. Chairman, I ask leave to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BOOHER. I want to call the attention of the chairman of the committee to some figures in the hearing, in the report of the Chief Forester, which do not agree with the figures he read a moment ago. The report shows a total cost of the Forest Service of \$5,000,000—

Mr. LEVER. What page is that?

Mr. BOOHER. The Forestry Service hearings, page 284.

Mr. LEVER. That is last year's hearing. The gentleman is evidently reading from the wrong hearing.

Mr. BOOHER. You sent me the wrong hearing, then.

Mr. LEVER. I am reading from the official figures.

Mr. BOOHER. I have the wrong book, then. But anyhow there is a large deficit between the receipts for the Forest Service and the expenditures, and there is no reason why it should be so.

The Chief Forester says that if the Forest Service is put on a commercial basis, whatever that is, it will pay the expenses.

Now, why should it not be put on a commercial basis? I will read from the hearings of last year, because I presume what is stated there as to last year would be true this year. Outside the Forest Service pasture for sheep per head costs 3.6 cents per month. In the Forest Service the Government receives 1.4 cents per month per head.

Now, why that should be I can not understand, unless what they charge outside would be putting the Forest Reservation on a commercial basis. Can there be any objection to doing that? Let us see. I will read from the hearings of a year ago, as I have not those of this year. The chairman of the committee asked Mr. Potter, an employee—I think the chief assistant of the Forest Service—this question:

The CHAIRMAN. You have not stated, Mr. Potter, the fees received from grazing.

Mr. POTTER. About \$1,000,000 is the total revenue from grazing at the present time.

Mr. REILLY. Why should not the same rule for the sale of timber be followed in the sale of forage—to the highest bidder?

Mr. POTTER. Mainly for the reason that it would work against the bona fide settler.

Mr. REILLY. I mean, after taking care of the bona fide settler, why should not the cattlemen who want the privilege of using the forest reserves pay for that the same as they do for timber?

Mr. POTTER. It is entirely a matter of policy, sir, as to what should be the basis of the charges. If it is desirable to increase the revenue and place the grazing on a commercial basis, that would be the proper way in which to do it.

Now, he was asked another question a little further on in this examination. He was asked this question by Mr. MAGUIRE, and he did not answer it, for what reason I do not know. I read:

Mr. MAGUIRE. Are there any bona fide reasons why the forage privilege sold to people not settlers should not be put on a commercial basis?

He did not answer that question at all.

Mr. ANDERSON. Mr. Chairman, will the gentleman yield?

Mr. BOOHER. Yes.

Mr. ANDERSON. Of course the gentleman knows that since those hearings were had those rates were increased?

Mr. LEVER. The gentleman from Missouri is mistaken. It is increased 20 per cent for sheep and other animals.

Mr. ANDERSON. I think it is 25 per cent.

Mr. LEVER. If the gentleman will permit me, I will read from the statement furnished me by the Forest Service:

The fee charged for grazing cattle on the national forests is from 48 cents to 72 cents per head per annum, depending upon the advantages and locality of the forest, the average rate being 56 cents per head. If

the range is to be used during only a portion of the year, the rate is reduced accordingly, but in no case below 20 cents per head for any short period. The fee charged for grazing sheep is 25 per cent of the cattle rate, or an average of 14 cents per head per annum. Fees for short periods are fixed the same as for cattle, with a minimum rate of 5 cents per head. The fees for grazing horses are 25 per cent more and the fees for grazing swine 40 per cent less than the cattle rate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOOHER. I ask unanimous consent for 10 minutes more.

The CHAIRMAN. The gentleman asks unanimous consent that his time be extended 10 minutes. Is there objection?

There was no objection.

Mr. LEVER. I read further:

These differences in ratio are all due to the relative amount of range required or degree of damage done in grazing the different kinds of stock.

Before the transfer of the national forests to the Department of Agriculture no charge was made for grazing; neither was any charge made for this use of the lands before their inclusion in the national forests.

So that only since the national forests have taken over these lands have there been any fees whatever.

Mr. BOOHER. But is it true also that before that time the Government was not paying out \$5,000,000 a year to look after them?

Mr. LEVER. I read further:

Therefore in the initiation of a grazing fee it was based upon the proposition that on account of the special advantages enjoyed by the stockmen using the national forest ranges over those on the outside ranges and the protection given them it was no more than fair that a reasonable fee should be paid for the grazing privileges, which would go toward helping to meet the expense of administration and protection of the forests.

A study of the charges made for the use of other grazing lands of similar character and in private ownership indicates that the commercial value of the grazing privilege on such lands averaged about three times the fee charged by the Forest Service; but owing to the many restrictions which must be imposed upon the stockmen using the national forests and the desirability of reserving the right at all times to exclude live stock whenever it appears that damage is being done to the forest by their presence, or that such action is necessary in reference to areas which are to be reforested, it was deemed undesirable to place grazing on a commercial basis.

This is a frank statement from the Forest Service.

Heretofore the rate for grazing sheep has been 30 per cent of the rate for cattle, but owing to the adoption of better methods in handling sheep and the reduction in damage by this kind of stock the rate has been changed to 25 per cent of the rate for cattle, and the change will be made for the coming season by an increase of 20 per cent in the rate charged for cattle. This will produce an increase of about \$100,000 in the total revenue.

The rate has been increased 20 per cent for cattle. This will produce an increase of about \$100,000 in the total revenue. Now, if the gentleman will permit further, I will read him another statement prepared by the department:

The second largest source of revenue is from grazing. This is now nearly a million dollars. The number of stock will be gradually increased, but any large increase must come from requiring a larger fee for the use of the forest ranges. At present the average fee is 56 cents for cattle and horses and 14 cents for sheep. This rate of charge is less than the actual commercial value of the forage. The national forests were formerly grazed free of all charge. The establishment of range regulations over some 100,000,000 acres of land, involving some 9,000,000 head of stock, many of them owned by ranchers and small settlers, requiring restrictions to prevent injury to the forest and to conserve the range, necessitated at first a moderate charge only and not a full commercialization of the resource merely to secure revenue. Ultimately grazing receipts should be increased 50 to 100 per cent.

Mr. BOOHER. Ultimately—when does he mean?

Mr. LEVER. I asked the Forester that question, and his answer was that these fees should not be raised abruptly 50 or 100 per cent, but that there ought to be a gradual raise in the fees, as rangers more and more understand the best use of the range.

Mr. BOOHER. He is not giving the reason that he gave a year ago when he was before your committee. Here is what he said about it then:

Mr. TAYLOR. You would have better control, would you not, over these men that graze their cattle on these lands if you charged a very small fee? In other words, they would not be so anxious to get everything out of it?

Mr. POTTER. We get better cooperation from them, unquestionably, under the system of small fees than we would if we charged every cent the grass was worth.

Mr. LEVER. I think that is true.

Mr. BOOHER. If you give your property away to a man, of course, he will be more friendly than if you asked him a decent price for it, and that is the way they are proceeding here.

Mr. LEVER. I do not think that is true at all.

Mr. BOOHER. I do.

Mr. LEVER. That is no contradiction of Mr. Graves's statement.

Mr. BOOHER. Now, let me see—

Mr. TAYLOR. If you charged every cent the grass was worth, they would want to graze it down close?

Mr. POTTER. Yes.

Now, do you mean to tell me that if you charged what it was worth an animal grazing on the range would eat the grass down

any closer than if you charged less than what it is worth? That may be good theory, but it will not work out in practice.

Mr. LEVER. The gentleman does not understand the theory.

Mr. BOOHER. When you charge only one cent and a quarter a month for each sheep, will it eat less than when you charge 4.4 cents a month? I should like to see that breed of sheep, because it would be a very economical kind to raise in a country where pasturage is high. [Laughter.]

Mr. HELGESEN. If you were paying all the grass was worth, you would put more sheep on per acre, and they would crop the grass closer.

Mr. BOOHER. Oh, no. The Forest Service can provide by regulation how many sheep per acre can go on the range, just as you would provide how many sheep should be turned onto your land, if you rented your pasture, and that is what they do. The Secretary of Agriculture has said how many head of sheep and how many head of cattle and horses and other stock shall be pastured on these ranges. He has fixed the number, so that there is no danger from that source. It is simply a lack of business sense that permits the forest reserves of this country, year in and year out, to go on in this way, with the expenses growing and growing above what the receipts are. Nobody can give a reason why the forest reservations of this country should be a tax upon the people, while the forest reservations just across the line in Canada year after year turn a surplus into the treasury of the Dominion, as is shown by the reports. That is a fact, that they get from \$2,000,000 to \$3,000,000 a year into the Dominion treasury from their forest reservations, according to their reports, and we have a deficit every year of \$2,000,000 or \$3,000,000. That is the difference in management.

I can not see why these forest reserves should not be put on a commercial basis. I do not know what they mean by that; they can provide in their rules, just as the Secretary of Agriculture has done, that only so many head of sheep or so many head of cattle shall be pastured on these forest reserves. When that is done that is the end of it, and you are not putting so many sheep on it that they destroy all the grass or anything else. It is all a matter of regulation, and they ought to pay what the property is worth. The Government is keeping these forest rangers there to protect the property and the people using it, and they are not paying enough for the pasturage to pay the expenses of taking care of it.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. BOOHER. Yes.

Mr. McLAUGHLIN. There are just such regulations as the gentleman states limiting the number of animals permitted to graze on a particular piece of property.

Mr. BOOHER. I want to ask the gentleman if he can give any good reason why it should not be put on a commercial basis and a reasonable charge made and the money go into the Treasury of the United States?

Mr. McLAUGHLIN. The charges are made, and those who make them consider them reasonable, and the money collected is turned into the Treasury.

Mr. BOOHER. Yes; the money is turned into the Treasury; but outside of the forest ranges there is the same class of forage and the same class of pasture land, and these same stockmen pay 4.4 cents for pasturing stock outside and inside only 1.4 cents. Why it is, I can not understand.

Mr. McLAUGHLIN. I do not know what charges are made for the use of land outside the forest reserves, but I know there has been a good deal of discussion as to the rates of grazing inside of the forest reserves, and those making the charges for inside consider them reasonable and proper. I think the charges within the national forests are less than charged outside.

Mr. BOOHER. Just about one-third.

Mr. McLAUGHLIN. And at that a great many contend that the charges within the national forests are higher than they ought to be. That grows out of the fact that formerly they had the use of this grazing land without any charge at all, and the feeling had developed that they ought to be used without any charge.

Mr. BOOHER. Oh, I understand that; in every new country that is true. When the owners began to fence up the lands for farming purposes cattlemen tore down the fences and claimed that their cattle had the right to run over the land. Now the Government has fenced the forest reserves. Let me read what was said in the hearings last year about this matter:

Mr. HAWLEY. Does that comparison include the value of the area for grazing purposes?

Mr. POTTER. Yes, sir. It only included lands on the outside which were grazed under comparatively the same conditions as the lands within the forests.

Mr. HAWLEY. Of course, the comparison would be valuable if the same kind of forage grew on one acre as grew on another. If it did not, it would not be.

Mr. POTTER. These were comparisons with comparatively the same kind of land and used under practically the same conditions.

Mr. HAWLEY. And the same amount of forage per acre?

Mr. POTTER. Practically the same amount; yes, sir.

Mr. SLOAN. And in contiguous or neighboring territory?

Mr. POTTER. Yes, sir; in neighboring territory to the national forests. We found as to sheep that the average price per month which was being paid for outside land was 3.6 cents per head, as compared with a charge on the national forests of 1.4 cents per head per month. Compared with the use of practically the same kind of lands outside of the national forests and under practically the same conditions, the stockmen were voluntarily paying three times as much money for privately owned land as for the Government lands. So we concluded that our fees or charges were very reasonable.

Now, I call your attention to the fact that the same kind of land, with like pasturage and under the same conditions, outside of forest reserves rents for three times what it does inside the forest reserve.

Mr. McKENZIE. Will the gentleman yield?

Mr. BOOHER. Yes.

Mr. McKENZIE. If the cattlemen and sheepmen pay 4 cents a head outside the forest reserve and only 1.4 cents inside of the Government forest reserves, I would like to know if the gentleman from Missouri can tell us how they determine which cattlemen or citizens shall have the benefit of the cent and a quarter pasturage while his neighbor pays 3 or 4 cents outside?

Mr. BOOHER. I can not tell; I only know what I read in the hearings, and they do not explain the situation fully.

Mr. McKENZIE. How do they avoid favoritism?

Mr. BOOHER. I suppose they divide it among the different cattle and sheep men.

Mr. COOPER. Will the gentleman yield?

Mr. BOOHER. Yes.

Mr. COOPER. The gentleman from Oregon [Mr. HAWLEY] has just suggested to me a possible explanation for a part of this. He says that these privately owned ranges, or places where the sheep go, are fenced and leased for a long period, whereas in a forest reservation they require a herder to go out and take care of the sheep, and that it lasts for only one year. It requires men to attend the sheep or cattle, while in the other instance they are fenced, and it does not require the herders.

Mr. BOOHER. I want to say to the gentleman from Wisconsin that Mr. Potter in testifying before the committee said that it was under practically the same conditions and the same kind of land.

Mr. COOPER. But one is fenced and the other is not.

Mr. BOOHER. There is nothing of that kind in Mr. Potter's statement.

Mr. COOPER. The private property is fenced and does not require as many men, under the circumstances, to take care of the sheep, and that seems to me a plausible statement.

Mr. BOOHER. But it was not given by the forester when he was before the committee.

I find in the hearings on this bill before the committee the following questions and answers, which do not bear out the statement that the outside range is fenced. On the contrary, it appears that the fencing is in the forest reserves.

Mr. HELGESEN. For how long do you lease the range?

Mr. POTTER. Only for one season.

Mr. HAWLEY. But a man who is satisfactory is sure of getting his lease the next year?

Mr. POTTER. Yes, sir; but under our regulations we provide for renewals unless it is necessary to reduce the range to stop damage or to provide for bona fide new settlers. As new settlers come in we take care of them by reducing the permits of the larger stockmen and issuing small permits to the settlers.

Mr. HELGESEN. It is absolutely on a license basis, then?

Mr. POTTER. Entirely on a license basis; yes, sir.

Mr. HELGESEN. And they are not allowed to fence it?

Mr. POTTER. They are allowed to construct such fences as are necessary for the control of the stock. That is one of the advantages that comes from grazing on the national forests over grazing on the outside range.

Mr. HELGESEN. How can they fence for one year?

Mr. POTTER. They fence on the one-year permit, because they feel sure of the renewal, except for these two conditions, and they are perfectly willing to go ahead and construct fences on that basis.

It seems to me that the statements of Mr. Potter quite fully answer the fencing proposition.

Mr. LEVER. The Forester could not tell all that he knew in the short time he was before the committee, and the gentleman from Missouri could not tell all he knew in five minutes.

Mr. BOOHER. No; great man as I am, I could not tell all I know in five minutes. But I know what I read in the hearings, and I know when the Forester was before the Committee on Agriculture he was there to give the committee all the information he had, and when he was asked the questions by Mr. SLOAN to explain that situation he ought to have explained it. He had the explanation that the gentleman from Wisconsin says that he has got from somebody else.

Mr. COOPER. Let alone what the Forester ought to have done, I gave the gentleman what the gentleman from Oregon

says is the explanation, and he is a practical observer of the actual conditions.

Mr. BOOHER. What the gentleman from Oregon says about the situation would appeal to me, but we ought to have got it out of the Forester in the hearings, where we could have read it. Because the Forester says it is practically the same for the same kind of land, that it has the same kind of forests. Now, this matter was discussed a year ago. Nobody ever thought it was because somebody had gone out and fenced a great lot of this outside land. I would like to know what kind of fence they put around it. We have great areas of land, large tracts; who put a fence around it?

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. BOOHER. No; I have not the time. The Forester said that if we put this on a commercial basis that we could get more money for it. Now, if you want to put it on a commercial basis—

Mr. COOPER. What does he mean by "commercial basis"?

Mr. BOOHER. I do not know.

Mr. COOPER. A self-sustaining basis?

Mr. BOOHER. I read what the Forester said about it.

Mr. COOPER. What does the gentleman understand by "commercial basis"?

Mr. BOOHER. It is not what I understand, but it is what the Forester said and understands.

Mr. COOPER. What does the gentleman understand the Forester understands?

Mr. BOOHER. If the gentleman wants me to state what the Forester meant, I am not going to try to do it.

Mr. COOPER. Is the gentleman arguing something that he does not understand himself?

Mr. BOOHER. No; I have got an idea of what commercial basis means. I would say, a paying basis.

Mr. COOPER. But the gentleman was defending the proposition, and now he can not define it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BOOHER. Just a word in conclusion; just a minute.

The CHAIRMAN. Is there objection to the gentleman from Missouri having one minute? [After a pause.] The Chair hears none.

Mr. BOOHER. Now, if the gentleman will let me conclude. I would like, for the benefit of the gentleman from Wisconsin, to define what the Forester meant, and I respectfully suggest that he hunt up the Forester and get it from him. He has not told the committee what he meant. He has not told anybody that I know of. I think what he meant was that he would rather rent this for a cent and a quarter an acre than to get what it is worth. I am trying for the benefit of the committee to see whether or not we want him to put it on a commercial basis, which would mean a paying basis. I do not know of any other basis that the word "commercial" would mean. Now, are we to wait for this to go on from year to year, with greater taxes every year upon the people, or are we going to instruct him to put these reserves on a commercial basis?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HAWLEY. Mr. Chairman, I desire to make some observations about placing the forests on a paying basis.

Mr. BOOHER. Do not use the word "paying," but use the word "commercial," which the Forester used, and tell us what he meant, for the benefit of the gentleman from Wisconsin.

Mr. HAWLEY. I prefer to use the word "paying," if the gentleman will permit me. The great resource of the national forests is the timber on them. While at the present time the amount received from grazing, including grazing trespass, is a little over a million dollars, and the amount received from timber sales, with timber trespass added, is a little over a million and a quarter dollars, the amount received from grazing can not be very greatly increased, in my opinion. It may be in some places increased a little, but, generally speaking, the grazing is selling for about what it ought to sell for under conditions now existing. With a hundred million acres of land within the national forests, of which there are 16,000,000 acres in Oregon—and I use the State of Oregon as an illustration, because I am more familiar with conditions there, on which there are more than 200,000,000,000 feet of timber—the solution of the problem of making the reserves a source of income to the Government lies in increased sales of timber, and the Committee on Agriculture has been urging, ever since I have been a Member, that we should increase our timber sales. Years ago we used to sell in small quantities. The amount included in each sale was comparatively small, seldom exceeding a million feet. No lumberman, no logger, can do business on a million feet of timber, especially when they have to build logging roads and open up the way to

get the timber out. The sales have increased in size recently until a hundred million feet or more may be sold in a body. Sales are increasing to some extent, but the cut does not yet equal the actual deterioration of the forest; that is, there is a great deal of timber overripe, deteriorating, and becoming worthless.

Now, the thing to do to put the Forest Service on a paying basis so it will be a resource instead of an expense to the Government is to give the Forest Service legislation, if necessary, to enable it to put the timber on the market in quantities sufficient to induce commercial operators to buy, build roads, and build mills. We should sell a large enough contract so that they can cut timber sufficient to make it commercially profitable, and then we will get back from the forest all that it is necessary to pay for its care, which will be a very small amount in proportion to sales, and yield a considerable net revenue. That is a solution of the problem—to put these forests on a basis of paying revenue instead of remaining as an expense to the Government.

Mr. McKENZIE. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. McKENZIE. Is the amount of timber limited by law that they can cut on one of these reservations, or is it simply a regulation of the Forest Service?

Mr. HAWLEY. The amount to be included in any sale is determined by the service.

If we are going to put the Forest Service on a paying basis and make it a source of revenue, we must authorize large sales, and if legislation is necessary, enact the necessary legislation, so that the sales can be made in large enough bodies to pay the operators a reasonable return.

And no one will buy timber on a national forest and pay the Government price—and they usually get the highest stumpage price in the market around them—unless they have an opportunity on a reasonably well-managed property of making a profit.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Washington moves to strike out the last word.

Mr. JOHNSON of Washington. Mr. Chairman, I am much interested in the statement in advocacy of large sales on the part of the gentleman from Oregon [Mr. HAWLEY]. The Forester in his report calls attention to four large tracts which contribute greatly to his aggregate of money received for sales of lumber. Then, he goes into a page of description and argument, advocating small sales, for, as I read this morning from his report, his policy is to encourage the neighborhood and small sales in order to secure some stable income.

Now, it may be a very fine policy to enter into those large contracts. It is perhaps a good policy, except where the Government goes into a deal covering from 15 to 25 years' time, with some subsidiary branch of a great railroad for the taking off of millions and millions of feet of timber, where the only payment is the payment of \$8,000 or \$10,000 down, the rest to be paid in installments years apart and at the conclusion of the contract, the Government receiving no interest whatever, and the bulk of the timber being paid for at the conclusion of that great length of time. That is what is making the trouble with the lumber and the timber business in the West.

Mr. Chairman, we are coming in at moment in this bill to the appropriation for the Kaibab National Forest Reserve, the one that has been attracting so much attention recently in the magazines, and of that the Chief Forester says:

In addition to these contracts the sale of seven large areas was approved during the year, following an estimate and appraisal of their stumpage. The most important of these is a body of 1,000,000,000 feet of western yellow pine on the Kaibab National Forest, in northern Arizona, adjoining the northern rim of the Grand Canyon of the Colorado River. The exploitation of this area will require the construction of approximately 200 miles of railroad unless further developments in trunk-line construction in this region bring the forest nearer to rail facilities.

Then he goes into a discussion of a page or so in the hearings on the present bill, as to the advisability of building 200 miles of railroad to get to a great stand of inaccessible timber, and intimates, but will not say outright, that the Government should build the road. Then, if you will turn again to the annual report, you will find the Forest Department congratulating itself on two contracts for a million feet of sawed timber in the Olympic Forest, in the State of Washington, in the district which I have the honor to represent, which they say marks the opening of this vast forest.

Now they want to get these great sales in territories that can not be reached by roads, and at the same time if you will turn and examine this detailed statement of expenses for the

reserve and calculate the amount that is allowed or given for cutting out the roads and trails you will find that the sums are so small as to be of no consequence in connection with the work.

Now turn to the report of the Secretary of Agriculture made this year and read the hope that is held out to the settlers in the reserves. The Secretary of Agriculture says:

In regions where timber is the chief income-producing resource absence of demand for it often works a serious hardship upon those who have entered the region as the advance guard of civilization and are seeking, in the face of many difficulties, to establish homes. There are counties in which a sparse local population of pioneer settlers find themselves surrounded by a wilderness largely consisting of national forest land, which is almost idle so far as any form of present use is concerned. In other words, a great, if not the greatest of the potential sources of wealth in such counties, held in trust by the Government for the benefit of the public, not merely contributes nothing now to the upbuilding of the communities which will give value to the forests, but actually adds to the burden which these communities must assume.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JOHNSON of Washington. I ask unanimous consent for another five minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for five minutes. Is there objection?

Mr. LEVER. Mr. Chairman, I am not going to object, but I am going to plead with gentlemen on both sides of the House and say that it is absolutely necessary that we pass this bill by Thursday night. I hope the gentleman will help me get along with the bill. I am not going to object.

The CHAIRMAN. Is there objection to the gentleman's request?

Mr. JOHNSON of Washington. I had the intention of hurrying along, Mr. Chairman, but—

Mr. LEVER. I am not going to object to the gentleman proceeding for five minutes more.

Mr. JOHNSON of Washington. But whenever a man wants to ram a Weyerhaeuser knife into me I resent it, and I propose to take up as much time as I choose this afternoon in the discussion of the bill.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JOHNSON of Washington. I was reading a moment ago from the statement of the Secretary of Agriculture, in which he points out how these large communities are suffering from the want of taxes. He says:

Were the forests private property they would pay their fair proportion of the cost of road development, public schools, and other public activities through taxation. The Government, unlike the private owner of timberland in such regions, is holding the timber, not in order to make a profit later by its advance in value, but in order to make it promote the public welfare. That it should be made to serve the local as well as the national public welfare has been definitely recognized in the provisions of law for the use of 35 per cent of all gross receipts from the forests for local public purposes.

To carry more fully into effect this already established principle a further step should be taken. It should not be necessary to wait until the period of hardest struggle is past before these public resources begin to assist local development. Before the national forests begin to yield large incomes, as well as after, they should be made to participate in the work of building up the country and giving value to all its resources.

Now, Mr. Chairman, I have here a statement showing the cost of this service since 1906, up to and including 1913, showing a greatly increasing appropriation every year, and showing also an increasing income from products of the forest reserve—for grazing, trespass, fines, the sale of timber, and so on—absolutely out of proportion, however. The policy changes apparently every few years. It is impossible for anyone to keep track of the disbursements and expenditures and how the amounts go for roads and trails or for school funds; and, so far as I have been able to ascertain, ever since the year 1906, when this subject came up, there has been an insistent desire to hurry it along. Only a few pages of committee hearings are devoted to the Forest Service. In spite of the fact that this bill appropriates five and one-half million dollars, the entire hearings on the subject are comprised in not to exceed 10 pages, and those 10 pages might just as well be summed up in the oft-repeated words of the Forest Service itself—"administrative supervision." That is all there is to it. You have your chief, you have your supervisors in the seven districts, and their subofficers out in the reserve, commanding an array of rangers. Fifteen or eighteen men have charge of each of the larger reserves, exercising all of the authority of the courts of law, priding themselves every time they can soak a \$10 fine on a poor ranger in a heavily forested country when his cow or his few sheep have gone over an imaginary line; scowling and spying around the country raking in these fines. And here is a great bureau of the Government,

grown up to such a point that I boldly make the statement that this great Committee on Agriculture, composed of as intelligent men as there are in this House, and as hard-working men, do not pretend to follow or know anything about the forest reserves, which comprise, as I have just said, from one-third to more than one-half of all the territory in the 11 far Western States and much territory in other States as well.

There was limited general debate on this bill. I was unable to get any of the time, and the moment anyone who comes from the edge of one of these reserves undertakes to say something for the homesteaders who have gone in there and are struggling against conditions more onerous than ever existed in the pioneer days of Kentucky, Illinois, or Missouri; the moment a man dares to stand up and say a word about conditions there, some gentleman on this floor wants to know where the Weyerhaeusers come in in the matter.

Mr. LEVER. I wondered what the gentleman was referring to. This is the second time that he has used the word "Weyerhaeuser." I certainly did not thrust Weyerhaeuser at the gentleman.

Mr. JOHNSON of Washington. I sincerely hope the gentleman did not intend to do so, but I am getting a little tired of being asked about Weyerhaeuser every time I say a word in the hope of calling serious attention to many Forest Service inequalities. There are a large number of settlers as good citizens as there are anywhere in this country who have gone out into these reserves and settled, and it is in their behalf that I am making these remarks.

Mr. LEVER. I think my conduct on the floor of the House will compare favorably with that of the gentleman for courtesy. I should like to know what remark I have made to which the gentleman took umbrage.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. I ask unanimous consent that he have three minutes more.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that the gentleman from Washington have three minutes more. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. I said at the time that I hoped the gentleman did not mean any discourtesy by his question. These pioneers, farmers and ranchers, many of them do not see so much as \$500 in cash in a whole year. I was asking if, when they were forced to go in and fight these fires, they should not have the same protection and the same surgical assistance that is being given to the rangers, and the gentleman asked me if I would have the Weyerhaeuser agents paid, or something of that kind.

Mr. LEVER. No; I did not; and the RECORD will show I did not. I said, suppose an employee of the Weyerhaeuser Co. should suffer the same trouble that the farmer suffered, that the gentleman spoke of, would the gentleman have that poor man suffer, 15 miles from headquarters—would the gentleman have him suffer the tortures of the burned because he happened to be employed by a corporation? That is what I said, and if that hurt the gentleman's feeling, I am sorry. I would not have the gentleman think I would wound his feelings knowingly for anything on earth. That is what I said, and the RECORD will show it.

Mr. JOHNSON of Washington. It seems a pity, however, that between the corporations on the one hand and the United States Government operating almost as a corporation on the other hand, when we get down to the real problem of these forest reserves so little attention should be paid to the settlers and pioneers out there. Gentlemen on the floor of this House, if you will read these hearings, where an appeal is made for the use of timber for ships, and in another place where an appeal is made for a Government railroad for 200 miles, and then if you will consider these ship-purchase bills and other bills of that kind that are coming before this Congress I leave it to the good judgment of gentlemen on this floor if it is not about time we gave some attention to the Forestry Service and its plans and what it is coming to.

Mr. LEVER. But the gentleman would not make that a reason for making an unkind reference to me when I have had no intention of being discourteous to anyone.

Mr. JOHNSON of Washington. I shall be very glad to withdraw that. I meant nothing of the kind, I am sure.

Mr. McLAUGHLIN. I move to strike out the paragraph for the purpose of getting a little time.

The CHAIRMAN. The gentleman from Michigan moves to strike out the paragraph.

Mr. McLAUGHLIN. I presume some of the criticism the gentleman from Washington [Mr. JOHNSON] is making is

proper enough, but gentlemen of the House ought to know that every regulation made in relation to the national forests and their use is for the benefit, first, of the people who live and own property in the vicinity of the national forests. In the matter of the use of timber settlers are permitted to use a certain amount of the timber without any charge whatever. They are permitted to use timber, a further quantity of it, at a very moderate charge, less than is demanded of those who would buy in large quantities or for commercial purposes.

In the matter of the use of forests for grazing, the settler is permitted to use a certain amount of a forest reserve in the vicinity of his home without any charge whatever, and in every case the actual settler is preferred, when he wishes to use the grazing lands within the forests, to those who would use them for commercial purposes.

I wish to say that it must be a source of relief and satisfaction to the people of the United States to know that finally the authority of the United States is exerted for the protection of these great forests. We hear about men being arrested for trifling infractions of the law—some men who go on a forest reserve and take a little timber or a little wood. Possibly those cases actually arise, but I am inclined to believe that the gentlemen who tell them are drawing on their imagination in their effort to break down and discredit the Forestry Service. But rules and regulations are made to apply to everyone, and they must necessarily apply alike to the big man who would deliberately evade the law or knowingly violate it in important particulars and to the small man who might unintentionally violate it or transgress in some minor particular. I say it is encouraging, to say the least, for the people of the United States to know that their forests are being taken care of and that everybody, large or small, regardless of who or what he is or what his influence is or heretofore has been, is now amenable to the laws which Congress has enacted for the protection of our forests.

The gentleman from Washington has referred to the fact that timber for the use of the Government for the construction of railroads has been refused. It is true that it was suggested when this bill was in process of preparation that the officials whose duty it will be to construct the railroad in Alaska should be permitted to take from the national forests, without any charge whatever, all timber of all kinds that they might wish or need in the construction of that railroad.

That matter was fully considered and discussed by us in the meetings of the committee, and we determined to recommend to this House that no such provision should be put into this appropriation bill. Congress has appropriated money for construction of a railroad in Alaska, sufficient for the purchase of material of all kinds, and there is no reason why that money should not be used. The Forestry Service is attacked in this House every time a bill is presented more vehemently than any other provision of the appropriation bill. The Forestry Service is, and always has been, more savagely attacked than any other in the Department of Agriculture. The amount of money necessary to carry on the service is criticized, and if we were to permit the adoption of this provision, if we were to recommend the incorporation in this bill of a provision which would permit the timber from the forests to be taken for other branches of the Federal Government without payment, we would be recommending the use by other departments of the proceeds and the assets of the forest reserves while we were continuing all the expenses of the service, expenses which are so closely scrutinized and so severely criticized.

If the Forest Service is to be criticized, as in former years, for expenditures necessary to carry it on, then it is entitled to all the revenue that can possibly be secured and to all revenue arising from use or sale of its property, and any other branch of the Government wishing to use timber from the forest must pay for it, or wishing to avail itself of any privilege or advantage of use of the resources of the forests ought to be charged with the cost or value of the same. The Forest Service ought not to be criticized because of large appropriations made in its behalf and be denied the right to realize on its resources, or be asked to separate itself from its property without receiving payment or even being credited with the value of the property. That is the reason why the committee has refused to permit the incorporation in this bill of the provision for the use of the timber from the forests for the construction of railroads or other branches of the Government without payment to the Forest Service.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. JOHNSON of Washington. Will the gentleman go further and say that the money taken from the forest reserve

instead of being turned into the Treasury should be used to develop the building of roads through the reserves?

Mr. McLAUGHLIN. All revenue received for sale of timber and for use of forest reserves is turned into the Federal Treasury; a portion of the money so paid into the Treasury is turned back or paid to municipalities in which the forests are located. In my judgment, the percentage that the local treasuries are getting is more than they ought to have.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. JOHNSON of Washington. Does the gentleman think that \$1,000 out of 1,000,000 acres is too much for road building?

Mr. McLAUGHLIN. Oh, I do not know anything about particular cases; but I know, as a general proposition; or, I will say, that in my judgment as a general proposition, the percentage of receipts from the national forests turned back from the Federal Government into local treasuries is fully as much as, if not more than, they are entitled to.

Mr. JOHNSON of Washington. Does the gentleman think that out of 1,600,000 acres, \$25.35 as one county's share of the 25 per cent of the sale in lieu of taxes is too much, and that the county which receives it is on the highway to prosperity?

Mr. McLAUGHLIN. If the gentleman wants to open up that proposition and advocate an increase of percentage that the local treasuries shall receive, let him bring it before the House, and let it be fully discussed, and he will find out what the temper of the House is, and learn something that he does not now know about the administration of the forests and the use of the money.

Mr. JOHNSON of Washington. We all confess to a great lack of knowledge about the whole proposition. In fact, I find in the hearings that the gentleman from Michigan asked seriously if the people are permitted to go on forest reserves to reside. Of course he asked it innocently and for information.

Mr. McLAUGHLIN. Yes, sir; and I will say to the gentleman that I have myself favored the proposition as suggested that certain kinds of use and occupation by private parties should be permitted in the national forests, for certain uses of the national forests or in a way that will benefit the people or add to their comfort, and at the same time that will not injure or endanger the forests or interfere with their proper administration. I favor anything that can be done without injury to the forests or without departing from the policy of maintaining and protecting them. A bill of that kind, providing things of that kind of use, was up here on unanimous-consent day—a bill introduced by my friend from Oregon [Mr. HAWLEY], and I was heartily in favor of it, but the gentleman from Wisconsin [Mr. STAFFORD], exercising his right, objected to it; and it was not considered, and the gentleman from Wisconsin will remember I talked with him afterwards and suggested to him that, in my opinion, he made a mistake, and I believe he now thinks he did.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDERSON. Mr. Chairman, I shall only take but a minute or two to correct a misapprehension on the part of the committee, which may have been created by the remarks of the gentleman from Missouri [Mr. BOOHER]. He directed his remarks to the proposition that the Forest Service did not charge as much for the grazing of animals within the forest reserves as was charged by private individuals or private corporations for private grazing lands, and wanted to know why the Government could not require the same payments as were required by private corporations. Now, there are certain sound fundamental reasons why the Government can not make the same charge as would be made by private corporations. In the first place, the Forest Service in the public interest is required to make certain restrictions which private corporations are not required to make. In the public interest the Forest Service can only make a lease for a single year, whereas private corporations make leases for a term of years. In the public interest the Forest Service limits the number of sheep which can be grazed on a definite area, a restriction which is not ordinarily made by a private corporation. In the third place, it makes certain restrictions with respect to the building of fences. It does not permit the building of fences except under certain conditions, while private corporations permit and, in fact, encourage the inclosure of certain areas. In my opinion, it will not be possible to put these grazing areas upon anything like a commercial basis until some satisfactory grazing law is enacted by the Congress.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan to strike out the paragraph.

The question was taken, and the motion was rejected.

The Clerk read as follows:

Arkansas National Forest, Ark., \$11,930.

Mr. WINGO. Mr. Chairman, I desire to offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

That the Executive orders and proclamations setting forth and reserving certain lands in the State of Arkansas, known and designated as the Ozark National Forest and the Arkansas National Forest, as forest reserves be, and they are hereby, suspended, vacated, set aside, and held for naught as to all public lands now included in said reserves lying and being situated within the State of Arkansas, and that all public lands therein be, and they are hereby, excluded from said forest reserves and are hereby restored to the public domain, the same as though said orders and proclamations had not been issued.

Mr. LEVER. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Arkansas desire to be heard on the point of order?

Mr. WINGO. I desire to be heard on the point of order.

Mr. LEVER. If the gentleman desires me to reserve it, I will do so. I thought probably he had in mind another amendment. Of course, the gentleman recognizes this is not in order.

Mr. WINGO. I think it is in order.

Mr. LEVER. I make the point of order that it changes existing law.

The CHAIRMAN. The Chair will hear the gentleman for a moment.

Mr. WINGO. Mr. Chairman, it is true it is a change of existing law, but it plainly reduces the expenditures of the Government \$11,930. As a matter of fact, it will reduce expenses and is plainly in order.

The CHAIRMAN. The Chair is of opinion the point of order is well taken. Unless the gentleman can convince the Chair he is in error he will certainly sustain it.

Mr. HAWLEY. Mr. Chairman, if there is any doubt, I would like to be heard.

The CHAIRMAN. The Chair is ready to rule. The Chair thinks clearly it is a change of existing law, and the Chair sustains the point of order.

Mr. WINGO. Mr. Chairman, I move to strike out the paragraph. The performance we have just witnessed shows how difficult it is to reach institutions like these forest reserves when once they get established. I have always been opposed to these two reserves, and have been doing everything in my power since I have been a Member of Congress to have them abolished, and I shall not be content with my efforts here to-day, but I intend to press this matter until these lands are thrown open to entry to the settlers and home builders of this country.

There is not a person who has an intelligent opinion with reference to these two reserves in my district, but admits that their creation was a mistake. No man of intelligence can go to these reserves and ride through them without being forced to the conclusion that the lands in them should not be included in a forest reserve, but should be left to the agricultural development of the settlers who desire to enter them under the homestead laws.

Originally, when they established these forest reserves, they included in them nearly everything. They included nearly one whole county, with the exception of 77,000 acres—one of the oldest counties in my State, where the Government owned altogether only 26 per cent of the lands of that county. Of course, that seemed ridiculous, and they early began eliminating lands, and have been eliminating ever since. Only last April they eliminated several tracts of land in those reserves.

I want to call your attention to the character of land which was eliminated. Why they were eliminated and why agricultural lands were retained I have not been able to ascertain.

The department admits that the lands that were eliminated were "chiefly mountainous." This description is stated in a letter signed by Mr. C. M. Bruce, under date of April 28, 1914. I will not read all of the letter, because I was calling for specific information as to how many acres in the elimination were located in two particular counties, and the letter furnished that specific information, and the writer added that they were "chiefly mountainous."

That was no information to me, because I knew personally the lands; and I say to you, gentlemen, that, possibly, with the exception of 12 per cent of the lands in those reserves, the lands that are left in those reserves are better agricultural lands than those that have been eliminated.

Why is there a forest reserve around the timber in that forest reserve? Does the Government own any timberland there? Only a part. Who owns it? Less than a year ago it was suggested by the Secretary of Agriculture that those of us who were interested in those reserves should meet him in a conference. We met, and he stated his reasons very frankly—and he was correct about it—and I think if the Secretary of Agriculture

could ever ride through that forest he would abolish the whole thing. In a letter he says:

At present the alienated lands intermingle with the Government lands in these forests in such a way as to make it difficult to secure protection from fire and introduce permanent measures of forestry. The cleared lands are of low agricultural value and constitute small fields of from 5 to 50 acres. Roads and railroads are lacking, and it is difficult for the settlers to develop satisfactory community life.

To a man who is used to the character of land that the Secretary is used to, it is indeed of low market value. But he admits that the farmers have gone in there and have fields of from 5 to 50 acres. A few years ago it was 50 to 75 miles from a railroad, and yet many people preferred that land on which to make their homes, and they have made a success of farming, and they have developed farms there, and, in fact, in that area are some of the oldest settled lands in the Southwest. Some of the best men in the world have come out of those communities, reared upon just such hill farms as the Secretary regards of low value. Then the Secretary says:

Several questions arise. Can we not eliminate portions of the present forests which have a large proportion of agricultural lands, and which are difficult to administer, and exchange lands in the portion eliminated for lands held by settlers in the portion which it is proposed to retain? In the Ozark Forest, for instance, which has a gross area of 963,300 acres, it is suggested that we retain approximately 488,000 acres and that we increase the Government ownership of lands within this retention area by such exchange as I have indicated, and that the area retained be closed against further alienation.

He says, further:

A considerable part of the land in the area proposed to be retained is held by nonresidents and by the railroads.

The Acting Secretary of Agriculture, Mr. Carl Vrooman, writes me under date of October 9, 1914, as follows:

The Paul D. Rust Lumber Co. claims, approximately, 103,000 acres lying in a comparatively solid body on South Fourche Lefave and on Dry Fork. The Graham Lumber Co. owns between thirty and forty thousand acres on Mill and Johnson Creeks.

Then he goes on to say:

Within the proposed permanent boundary of the Ozark National Forest the St. Louis, Iron Mountain & Southern Railroad claims lands in the following sections:

R. 17 W., T. 10 N., secs. 25, 27, 29, 31, 33, and 35.
R. 18 W., T. 10 N., secs. 25 and 27.
R. 19 W., T. 10 N., secs. 7 and 9.
R. 20 W., T. 10 N., secs. 1, 3, 5, 7, 9, and 11.
R. 20 W., T. 11 N., secs. 17, 19, 27, 29, 31, 33, and 35.
R. 21 W., T. 10 N., secs. 1, 3, 5, and 11.
R. 21 W., T. 11 N., secs. 3, 5, 7, 9, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, and 35.
R. 22 W., T. 11 N., secs. 1 and 13.
R. 22 W., T. 12 N., secs. 17 and 35.
R. 23 W., T. 12 N., sec. 13.
And all of the odd sections within the proposed permanent boundary in Rs. 27 and 28 W., T. 12 N.

Of the balance of the patented lands lying in the proposed permanent boundary of the Ozark National Forest, it is estimated that approximately 50 per cent are held mainly for speculation, and mostly by alien nonresident owners.

Now let us see about some of the other holdings.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. FEES. Mr. Chairman, will the gentleman permit a question while he is there?

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from Ohio?

Mr. WINGO. In just a moment. I want to conclude that statement. I want to quote from the letters themselves, so as to avoid error. After he has named these railroad holdings he says:

Of the balance of the patented lands—

Mr. FORDNEY. I wanted to ask the gentleman if he would permit me—

Mr. WINGO. With pleasure.

Mr. FORDNEY. Has the gentleman any knowledge of what portion of these private holdings were originally patented to the railroad company and then sold to private individuals? The odd sections of land were originally conveyed to the railroad company.

Mr. WINGO. I am referring to land held by the railroad company.

Mr. FORDNEY. But originally a great portion of these lands now held in private ownership were patented to the railroad company and by them sold to private holders.

Mr. WINGO. That may be true, but I call attention to the fact that the railroad holds these grants, and in addition other lumber companies hold large amounts, one company 103,000 acres and another 40,000 acres, and of the balance in smaller

holdings about 50 per cent. so the Secretary says, are held for speculative purposes by nonresident owners.

Now, why should the Federal Government undertake to protect these holdings when it is not claimed by anyone that there are more than just a few small tracts of Government timbered land left in that territory? Is there any man who is in favor of conservation and who believes in the Forestry Service who will say that is a practical thing to do? It certainly is not.

Now, I started out on the theory that the department itself had recognized that there was something wrong there and that they were going to begin to eliminate it, and I have the assurance that a great deal of it will be eliminated, for the reasons that they themselves have given in this correspondence, because they are bound to recognize that these lands are more valuable for agricultural purposes than for anything else, and every time there has been a dispute out there between the Forest Service and an entryman, and a ranger has made an adverse report on the homestead application, when a special agent of the Land Department has been sent there, in a great majority of cases they reported that the land was valuable chiefly for agricultural purposes, and upheld the right of the entrymen to make the entry.

I have been through the Arkansas National Forest myself. I know the character of its lands. I know that measured from the standpoint of the Forestry Service itself it is ridiculous that the Arkansas National Forest is retained there, because all the principal holdings of valuable timber have long since passed into the hands of the railroads and these large lumber companies. Now, under the proposed elimination plan in my own congressional district they propose to eliminate a large amount. The area of Government land to be retained in one reserve was reported at 364,000 acres, and the private land to be retained in that area was 182,000 acres. Now, that is under a proposition that has not yet gone through, simply a tentative suggestion made by the department something like a year ago, which has not yet been acted upon.

Well, we will take some of the other items. In the Ozark National Forest, in my district, there in one county they proposed to retain Government land to the amount of 2,672 acres; private land now within the area to be retained, 8,177 acres. By reason of the investigations that have been made as to the agricultural character of these lands the Secretary of the Interior has tentatively suggested that certain eliminations should be made.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WINGO. I ask unanimous consent that I may proceed for five minutes.

Mr. LEVER. Reserving the right to object, I ask unanimous consent that debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this paragraph and amendments thereto close in 10 minutes. Is there objection?

Mr. WINGO. I do not want to take up any more time than is absolutely necessary.

Mr. MANN. How much time does the gentleman want to discuss this proposition?

Mr. WINGO. I have already asked for five minutes, and I have another amendment that I intend to offer.

Mr. STAFFORD. Is it an amendment to the same paragraph?

Mr. WINGO. I will not object, if it is desired to close the debate.

Mr. FLOYD of Arkansas. I object to closing the debate on this paragraph in 10 minutes.

Mr. LEVER. How much time does the gentleman want? I realize that the chairman of the committee is absolutely helpless in this matter on this item and others like it, but I must appeal to gentlemen to help the committee get along with the consideration of the bill as rapidly as possible. I will ask the gentleman from Arkansas [Mr. FLOYD] how much time he desires?

Mr. FLOYD of Arkansas. I do not know yet.

Mr. LEVER. I am perfectly willing to come to an agreement if gentlemen will suggest how much time they desire.

Mr. FLOYD of Arkansas. A colleague of mine who is not in the room now desires some time, and I should not like to agree to a limitation at this time.

The CHAIRMAN. Is there objection to closing debate on this paragraph and all amendments thereto in 10 minutes?

Mr. FLOYD of Arkansas. I object.

The CHAIRMAN. The gentleman from Arkansas [Mr. FLOYD] objects. The gentleman from Arkansas [Mr. WINGO] is recognized for five minutes.

Mr. WINGO. Mr. Chairman, I recognize that it is hard to get the attention of the House upon a matter of this kind. I

personally know the facts about which I am talking. I am not going to discuss the question of conservation or forest reserves. I know that these lands are valuable chiefly for agricultural purposes. Of course there is a little ridge here and there of which that is not true. In some of the counties there are small tracts here and there that may be said not to be fit for agricultural purposes, but wherever you find a piece of land in either one of these reserves that is not fit for agricultural purposes the timber on it is scrubby and not fit to be conserved. The Secretary says that the cleared lands of these small farmers are in tracts of from 5 to 50 acres. That may be true. It is true that this is in a part of Arkansas where the holdings of home owners are not large. I want to say frankly, without any feeling of ill will toward the plantation owner, because some of the best friends I have are the plantation owners in my district, but among the best citizens in my district, and that is true in every farming district in this country, are the small farmers, the small landowners who live upon small farms of from 40 to 120 acres, each with his little orchard, with his bottom fields, with his hill fields, and with his pasture. The great majority of them are hard-working, law-abiding, and God-fearing men, who pay their honest debts and to the best of their ability educate their children and train them up to make useful citizens. I submit, Mr. Chairman, that if these lands are thrown open to settlement and taken up by men of this type, so that on each 40 of this reserve one of them will have his little home, more direct benefit will flow not only to Arkansas but to the entire country than can be derived from all of the forest reserves in this Nation.

The small farmer is the most valuable farmer from the standpoint of citizenship you have in this country. And because, forsooth, he has not been able to carve from the wilderness more than 50 acres of land in one field, can it be the part of wisdom to class such land as unfit for agricultural purposes and retain it in a forest reserve? That is ridiculous, Mr. Chairman. I have not the slightest doubt but that if you could ride through the Arkansas National Forest one day you would say that it is agricultural land, and that it is a farce as a forest reserve, and that it should never have been established.

Now, let us abolish these two reserves and thereby save the Government \$77,000 a year. The farmers are willing to take it. I have here a statement of the number of people who it is claimed have evidenced a desire to enter the land within these reserves. There have been 2,580 men who thought that the land was sufficiently valuable for farming purposes, and for that reason desired to make homestead entries in them. These people were from Oklahoma, Missouri, Kansas, Massachusetts, Maryland, Colorado, New York, and nearly every State in the Union, and they would be glad to homestead these lands if permitted to do so. Even those who have been permitted to enter lands that the Forestry Service admitted were agricultural lands have had their applications held up and have been so annoyed and harassed as to defeat the objects of the homestead law, and their experiences prevent a great many others from entering who would like to do so.

Only to-day there came to my office a letter from a widow, who writes how she and her husband went down there in 1911 from one of the far Northern States to homestead a piece of land. She states how they filed on 160 acres, 6 miles from the county seat of the county; how they made improvements; and how, after considerable time had elapsed, their filing fee was sent back to them and they were told that the place was in the forest reserve. After considerable correspondence, they were finally advised that they would have to homestead under the act of June 11, 1906; that is, through the Forestry Bureau. Finally the husband died, after he had put in a year and a half's effort to procure land which he, as a farmer, knew was agricultural land. Finally his widow applied through the Forestry Bureau, and she writes that the forestry people came and surveyed 100 acres for her and that afterwards she was told she could only get 40 acres. She states that she lived alone the balance of the required time—one and a half years more—and finally she had to get out and seek work, and while she was gone her home burned and she lost everything she had. She spent several hundred dollars on the place and cleared and put under hog-tight fence a 16-acre field. She states that when she writes to the department she receives a stereotyped reply—that if she has complied with all of the homestead laws and lived on the land with a special use permit, no reason could be seen why she could not prove out at once on her second application, which she made a few months ago. But she only had a verbal permit from the forestry people, and this good woman wants to know if this verbal permit is sufficient. I do not know anything about the merits of this particular case, but I shall investigate it; but I do know that in the past my attention has been called to cases

where the records show such a systematic course of petty annoyance that I am convinced that instead of trying to carry out the spirit of the homestead laws of this country, everything was being done to drive proposed settlers away. There is barely a week passes but that some one calls my attention to some complaint that some bona fide settler has made.

I know the character of the land in the Arkansas National Forest, for I have driven through it, and I know that the great bulk of the timbered lands of these reserves are held by the railroads and large timber companies, and that practically all of the Government land that is left is suitable for agricultural purposes and is of the same type of land as that upon which a great many settlers in these very communities have made their homes during the past 50 years. It is true that they are not homes of wealth and splendor; it is true that the farms are not level, large plantations. They are just the typical hill farms to be expected in a country of that kind, and good men have tilled such lands, made their homes, brought up their children, and given to the country the development with which it is now blest.

Mr. Chairman, it is with such people and in such humble homes as these that real patriotism is born. Patriotism does not always abide in palaces, but can always be found in the woods and fields, by the lakes and streams, among the humble farmers, who love their homes and fear and serve their God and are devoted to their country.

The CHAIRMAN. The question is on the motion of the gentleman from Arkansas to strike out the paragraph.

The question was taken; and on a division (demanded by Mr. Wingo) there were 16 ayes and 24 noes.

So the motion to strike out was rejected.

Mr. WINGO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

That the Executive orders and proclamations setting apart and reserving certain lands in the State of Arkansas, known and designated as the Arkansas National Forest and the Ozark National Forest, as forest reserves be, and they are hereby, suspended, vacated, set aside, and held for naught as to all public lands now included in said reserves which are suitable for agricultural and fruit-growing purposes, and said public lands be, and they are hereby, excluded from said forest reserves and are hereby restored to the public domain as though said orders and proclamations had not been issued.

Mr. LEVER. Mr. Chairman, I make a point of order to that amendment.

Mr. WINGO. Mr. Chairman, there is a difference between this amendment and the former amendment. The gist of this amendment is that all public lands within a public reserve suitable for agricultural purposes shall be eliminated from the reserve. That is the only way you are going to carry out the law now existing—by a special declaration by Congress eliminating the land from the reserve.

The CHAIRMAN. The Chair will ask the gentleman if he does that will he not change existing law?

Mr. WINGO. No; it would be enforcing existing law by eliminating certain lands which the law has said the officers shall eliminate and which they have not done and which they admit they have not done. It is not change of existing law; it is a declaration directing administrative officers in a specific case to enforce the general statute.

Mr. ANDERSON. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. ANDERSON. May I ask the gentleman a question? Of course the Forestry Service or no other Government official would be authorized to issue a patent for these lands or take any action which would take the title of the lands out of the United States without legal authority, which I take it this amendment tends to give, and if it does, then it changes the existing law.

Mr. WINGO. No; here are certain lands admitted to come within the act of 1906 with reference to the elimination of agricultural lands in the reserve. It is admitted that certain lands within those forest reserves are agricultural lands. All my amendment does is to change the present status; it does not change the present law, but the present status. They are not open to entry until the administrative officers charged by law with the duty formally by an order eliminate them and carry out the law. Then they are open to entry. Now they have not made that formal order. This is an instruction to the officers in certain specific cases to carry out the law.

Mr. LEVER. Does not the gentleman admit that under the act of 1906 the discretion of elimination is lodged in the Secretary of Agriculture? In this amendment it takes away from him that discretion, and therefore changes existing law.

Mr. WINGO. No; this does not do that; the discretion is to determine whether it is agricultural land. He has no discretion

as to elimination, but once it is determined that the land is agricultural, under the act of 1906, it is his duty to eliminate it. This does not undertake to take away the discretion that requires him to exercise his discretion. It requires him to carry out the result that would naturally flow from the exercise of that discretion. He admits they are agricultural lands, and this says that you must eliminate the agricultural lands, because the law says that they shall be eliminated. It does not change the law. It says that you must carry out the law in a specific case.

Mr. LEVER. If the Chair please, it seems to me from the very statement of the gentleman from Arkansas that this amendment is subject to a point of order. Under the act of 1906 the Secretary of Agriculture is authorized to investigate to ascertain if certain lands are agricultural or nonagricultural. When he has made a determination of that fact it is within his discretion to certify that fact to the proper authority. Now, by this amendment we undertake to take away from the Secretary of Agriculture the discretion in the premises, and to that extent it is a change of existing law. It is legislation upon an appropriation bill.

The CHAIRMAN. The Chair understands, not having the act of 1906 before him, Congress gave to the executive officer the right to withdraw certain lands as forest reserves. Now he has that right under the law.

Mr. ANDERSON. Mr. Chairman, a parliamentary inquiry. I desire to make an additional point of order that the amendment is not germane to the paragraph. The paragraph merely appropriates money for a specific purpose. It is, as I understand it, to care for this particular forest, while the amendment, of the gentleman from Arkansas is a very different proposition.

Mr. WINGO. Mr. Chairman, upon that point the public records show, to which I have called the attention of the committee, that if this law is carried out and my amendment adopted it will absolutely eliminate the expense embodied in this item. It will eliminate the amount carried there, because the public records show that the lands are admittedly and confessedly agricultural lands, a great majority of them, and it does not require any far-fetched conclusion that if you eliminate the greater part of the reserve you reduce the expense of the reserve from this item which is under consideration.

Mr. STAFFORD. The gentleman does not contend that to an item that has for its object the expense of maintenance it is germane to offer an amendment that required the opening of this land to settlement?

Mr. WINGO. It would if it reduced expenses.

Mr. STAFFORD. Not at all. Under the Holman rule the amendment must be germane.

Mr. LEVER. Mr. Chairman, I read the law. On page 137 of the Laws Applicable to the Department of Agriculture we find the following:

That the Secretary of Agriculture may, in his discretion, and he is hereby authorized, upon application or otherwise, to examine and ascertain as to the location and extent of lands within permanent or temporary forest reserves, except the following counties in the State of California, etc., which are chiefly valuable for agriculture, and which, in his opinion, may be occupied for agricultural purposes without injury to the forest reserves, and which are not needed for public purposes, and may list and describe the same by metes and bounds, or otherwise, and file the lists and descriptions with the Secretary of the Interior, with the request that the said lands be opened to entry in accordance with the provisions of the homestead laws and this act.

Mr. HAWLEY. Will the gentleman yield?

Mr. LEVER. Yes.

Mr. HAWLEY. The present law is permissive to the Secretary and invests a discretion in him.

Mr. LEVER. Exactly.

Mr. HAWLEY. The proposed amendment is mandatory and takes away his discretion of the former law, and therefore changes existing law.

Mr. LEVER. That is the position I have been taking all the while.

The CHAIRMAN. That is what the Chair was proceeding to state a while ago when interrupted. It seems to the Chair under existing law the Secretary of Agriculture has the right to withdraw such lands as in his opinion comes within the provisions of this statute. Now, the amendment provides that certain lands which in the opinion of some one else might be agricultural lands shall peremptorily be withdrawn or excluded from the withdrawal heretofore made by the Secretary of Agriculture.

Mr. LEVER. In his discretion.

The CHAIRMAN. In his discretion; and it appears to the Chair it would be a change of existing law. The Chair therefore sustains the point of order.

MESSAGE FROM THE SENATE.

The committee informally arose; and Mr. HENRY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 19422) making appropriations to provide for the expenses of the Government of the District of Columbia for the fiscal year ending June 30, 1916, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SMITH of Maryland, Mr. LEA of Tennessee, and Mr. GALLINGER as the conferees on the part of the Senate.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

The Clerk read as follows:

Chelan National Forest, Wash., \$6,260.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word for the purpose of asking if I may insert as a part of my remarks a statement in regard to the receipts and expenses of the Chelan National Forest, Wash., and all the other forest reserves of that State.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington to inserting the matter which is indicated? [After a pause.] The Chair hears none.

Mr. JOHNSON of Washington. Also a large table showing the receipts and expenditures in the entire service for the last five years.

The CHAIRMAN. Is there objection?

Mr. STAFFORD. Reserving the right to object to the last request, does the gentleman mean to embody in the RECORD a statement of the expenditures of the forest reserves as included in this statement from the Department of Agriculture?

Mr. JOHNSON of Washington. For several reserves in the State of Washington only.

Mr. STAFFORD. I have no objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Michigan National Forest, Mich., \$3,081.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word in order to say a word in reference to the Michigan National Forest. The statement has been made by the gentleman from Michigan [Mr. McLAUGHLIN] that the amount received by the States for roads and trails is too large. I desire to call attention to the expenditures for the Michigan National Forest:

Michigan National Forest (Mich.).
[Area, 131,928 acres.]

Total expenditures	\$9,014.29
Outstanding liabilities, Aug. 31	11.21
Total allotment	9,025.50
Distributed among the several subactivities approximately as follows:	
Ordinary current expenses	\$6,437.23
Fire and other emergency	327.66
Planting on national forests	1,385.15
Improvements	873.15
Roads and trails for States	2.31
Total	9,025.50
RECEIPTS FROM NATIONAL FOREST RESOURCES.	
Timber sale	\$113.20
Occupancy trespass	140.00
Special use	61.50
Total	314.70

There is one case where the tremendous amount of \$2.31 is set aside for roads and trails in a reserve comprising 131,928 acres.

Mr. FORDNEY. I would like to ask the chairman a question. I have lived in the State of Michigan for 45 years and I have never heard of a national forest reserve in that State. Where is it?

Mr. LEVER. Which line is it?

Mr. JOHNSON of Washington. Line 19, page 32, is an appropriation of \$33,081 for Michigan National Forest.

Mr. LEVER. I really can not tell the gentleman what part of the State it is in.

Mr. FORDNEY. I never heard of one in the State before.

Mr. HAWLEY. It has 132,000 acres.

Mr. FORDNEY. That acreage extends from the middle of the southern peninsula of the State to the extreme northwestern part of the upper peninsula. There may be 40 acres of land here and there on a lake or fraction on a river bank, but there is not 160 acres of Government land in any single body in the State that is worth a penny an acre.

The Clerk read as follows:

Nebraska National Forest, Nebr., \$5,897; and to extend the work to the Niobrara division thereof, \$5,000: *Provided*, That from the nurseries on said forest the Secretary of Agriculture, under such rules and regulations as he may prescribe, may furnish young trees free, so far as they may be spared, to residents of the territory covered by "An act increasing the area of homesteads in a portion of Nebraska," approved April 28, 1904, §10,897.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] reserves a point of order on the paragraph.

Mr. STAFFORD. What is the character of the extension work on this Niobrara branch of the Nebraska National Forest?

Mr. LEVER. I will yield to my friend from Nebraska [Mr. KINKAID], who is responsible for that item being put in the bill many years ago.

Mr. STAFFORD. I was not aware of the fact that my very distinguished friend from Nebraska was a member of this committee.

Mr. KINKAID of Nebraska. I am not. I thank the gentleman for his undeserved compliment.

Mr. STAFFORD. It could not be undeserved.

Mr. KINKAID of Nebraska. There are two national forest reserves, or two units of the Nebraska National Forest Reserve, and they are a considerable distance apart—say 150 miles. Now, at one of them, the Halsey unit, a pine-tree nursery has been maintained for a number of years, and young pine trees have been furnished free from it to the settlers who will plant them.

The administration of the Department of Agriculture under the direction of Secretary Wilson adopted the idea suggested by me that it would be economical to allow settlers to grow trees, as this would result in a reduction in expenditures hitherto made in tree planting by Government employees; consequently for several years settlers have been planting the young trees furnished them by the Government nursery operated on the Halsey unit. This extension is for starting a nursery for the growing of pine trees on the Niobrara unit of the Nebraska National Forest Reserve, which is situated over 100 miles from the Halsey unit.

Mr. STAFFORD. Is the purpose of the \$5,000 appropriation to establish nurseries?

Mr. KINKAID of Nebraska. Yes. That is to establish a nursery, and it is to save the expense of transporting trees from the south part of the State, where the Halsey Reserve is, to the northern part of the State, where the Niobrara unit is.

Mr. STAFFORD. What is the need of having two nurseries in the same State for the same purpose?

Mr. KINKAID of Nebraska. The object is to grow trees in a nursery on the Niobrara Reserve whereby to reforest the area of 125,000 acres contained in the tract. Trees will be planted on this reserve and by settlers in the country tributary thereto the same as trees have been planted on the Halsey unit and its vicinity farther south.

Mr. STAFFORD. I assume that there has been no merchantable timber cut on this forest reserve within the memory of man?

Mr. KINKAID of Nebraska. No; there was but little timber in the first place, but the purpose here is to experiment on the forestry of the sand hills of Nebraska, where mostly no trees were formerly grown.

Mr. STAFFORD. Is it expected that there will ever be any merchantable timber grown there in the memory of man?

Mr. KINKAID of Nebraska. Yes; it is; and a fine showing is already being made. The indications are that it would be a very good long-time investment for the Government to make to grow trees in this way.

Mr. STAFFORD. I wish the gentleman would direct his remarks to the need of establishing another nursery on the sand hills and sand plains of Nebraska.

Mr. KINKAID of Nebraska. I answer the gentleman from Wisconsin the economy will consist in the saving of transportation cost of shipping young trees from the south part to the north part of the State. The roundabout way the railways run makes the distance about 800 miles, besides having to haul a considerable distance from railway stations to the Niobrara unit. It will not cost as much to establish and maintain the nursery as it would to transport the trees from the other nursery—the trees that are demanded for planting on that reserve and in its vicinity by settlers.

Mr. STAFFORD. Can the gentleman tell me the maximum amount of expense that will be required to maintain this nursery?

Mr. KINKAID of Nebraska. The expense will be very much reduced after the work has been started.

Mr. STAFFORD. How much money will be required to be invested to establish this additional nursery?

Mr. KINKAID of Nebraska. The amount proposed will be adequate, it is believed, and that will erect buildings which will be permanent, and hereafter the expenses will only be for operating the nursery, and will be greatly reduced below the present amount.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska may proceed for three minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. STAFFORD. Then I understand the maximum expense for this additional nursery in Nebraska will be \$5,000 for the construction of buildings. Thereafter it will occasion how much expense to maintain it?

Mr. KINKAID of Nebraska. It will be very much less, I apprehend. I think it will not be more than \$2,000 after that, and even that amount may be reduced gradually after that.

Mr. STAFFORD. Mr. Chairman, I recognize that they certainly need trees out in Nebraska. I have been out in these Western States and have seen some of the tree claims in the Dakotas. I am quite skeptical as to whether they will ever be able to grow trees there. But I take the word of the distinguished gentlemen, who has done so much to make a garden spot of the sand spots of Nebraska, and give him the benefit of the doubt, and therefore I withdraw the point of order.

The CHAIRMAN. The gentleman from Wisconsin withdraws the point of order.

Mr. JOHNSON of Washington. Mr. Chairman, I notice that last year the planting of trees on the Nebraska National Forest cost \$13,936. Does not the gentleman think that an additional nursery will cost that much more in the next bill?

Mr. KINKAID of Nebraska. Oh, no. That cost was chiefly for buildings.

Mr. JOHNSON of Washington. Will it not be necessary to place mosquito netting and wire netting there to protect seeds and trees?

Mr. KINKAID of Nebraska. No; I think not.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Oregon National Forest, Oreg., \$12,963.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Washington moves to strike out the last word.

Mr. JOHNSON of Washington. Inasmuch as I am familiar with the Olympic Forest Reserve, it being one of the three large reserves in my district, I want to call the attention of the House to the expense and distributions in this reserve, where it is conceded there is the heaviest body of standing timber in all the United States:

Olympic National Forest, Wash.
[Area, 1,652,000 acres.]

Total expenditures	\$29,485.65
Outstanding liabilities, Aug. 31	25.09
Total allotment	29,510.74
Distributed among the several subactivities approximately as follows:	
Ordinary current expenses	\$23,864.73
Land classification	48.82
Fire and other emergency	463.28
Improvements	5,133.91
Total	29,510.74

Statement of receipts and disbursements, all national forests in the United States, fiscal year beginning July 1, 1905, and ending June 30, 1913.

	1906	1907	1908	1909	1910	1911	1912	1913
National forests resources, net receipts.....	\$763,533.01	\$1,530,321.88	\$1,788,255.19	\$1,766,088.46	\$2,041,181.22	\$1,968,993.42	\$2,109,256.91	\$2,391,920.85
Paid to Arizona and New Mexico for schools					815.48	30,434.16	36,087.75	45,547.30
Paid to States for roads and schools, 10 and 25 per cent of receipts.....	75,510.19	152,665.04	444,379.00	438,702.81	505,990.87	474,767.64	506,603.58	586,593.39
Roads-and-trail fund.....							207,304.66	234,638.68
DISBURSEMENTS—FORESTS.								
Administration and use.....	573,437.82	918,287.27	1,622,413.17	2,093,781.68	2,791,275.62	3,395,730.77	2,933,453.55	3,057,546.38
Improvement.....	23,521.28	74,672.55	551,938.00	564,105.06	571,242.72	265,981.87	994,921.78	812,256.78
Fire.....	16,322.72	10,583.69	11,536.10	71,579.33	71,056.84	1,059,590.89	240,400.74	95,867.16
Total on national forests.....	613,281.82	1,003,543.51	2,185,887.27	2,729,466.07	3,433,575.18	4,721,303.53	4,168,866.07	3,965,670.32
Inspection, etc., properly chargeable as national-forest cost.....	343,717.85	534,875.80	932,379.94	825,429.96	917,577.37	888,217.88	1,048,961.44	1,049,961.44
Forest investigation.....	233,428.76	281,693.88	328,609.73	357,974.44	343,439.71	310,418.57	312,392.05	333,517.36
Total for Forest Service work.....	1,190,428.43	1,820,113.19	3,446,876.94	3,912,870.47	4,694,592.26	5,919,939.96	5,530,219.56	5,348,325.81

RECEIPTS FROM NATIONAL FOREST RESOURCES.

Timber sale.....	\$8,659.67
Timber settlement.....	2,400.00
Grazing.....	6.50
Special use.....	521.00
Water power.....	86.00
Total.....	11,673.17

Mr. Chairman, in the arguments which are used in supporting this bill great stress is always laid on the sums to be spent for land classification—that is, the effort to find homestead and agricultural land which will be good for settlers. The promise has been made to the people in the Olympic Peninsula for a great many years that they would not only have roads through this great reserve, which obstructs travel in every direction, but that they would have land classification.

The area of this reserve is 1,600,000 acres, fully as large as some New England States. The expenditures last year on this great reserve were \$29,400, divided as follows: Ordinary current expenses, \$23,000—that is, for rangers and other agents in a little kingdom not subject to any of the laws or rules that govern the United States outside, not controlled by the governor of the State or the legislature of the State. For land classification, concerning which so much is said in the hearings, there was spent \$48; for fire and other emergencies, \$463. And I should like to say that this is one of the reserves where we do have forest fires; and in spite of the trails that are made by the rangers to shut off the fires, the flames often leap half or three-quarters of a mile and start a fire in an entirely different locality. It only cost the Government \$463 for fire protection. For improvements the sum of \$5,133 was expended. The improvements, I presume, consisted of erecting telephone lines, maintaining pack trains, and building ranger stations, lookout stations, and so on. Not one cent of the 10 per cent fund which is supposed to go to the State to be spent for roads and trails in the forest reserve was spent for that purpose in this reserve.

There was received from sales in that reserve \$11,600. That reserve covers a good portion of four very large counties. Under the 25 per cent distribution the four counties would have received altogether not as much as \$3,000 in lieu of what they might have received from settlers coming in and from the taxation of the property and the growth and improvement of a locality that has been choked and starved.

It is interesting to note that under this 10 per cent fund there have been constructed, according to a report issued a year or so ago, in the State of Idaho 9 miles of roads and 37 miles projected; in Montana, 59 miles constructed and 96 miles projected; in North Dakota, 1½ miles constructed and 1½ miles projected; in South Dakota, 14 miles constructed and 14 miles projected; in the State of Washington, with 11,000,000 acres in reserve, 1½ miles constructed and 13 miles projected; in Colorado, 40 miles constructed and 73 miles projected; in Kansas, 1½ miles constructed and 4 miles projected; in Michigan, nothing; in Minnesota, 4 miles projected; in Nebraska, 1½ miles constructed and 2½ miles projected; in South Dakota, 5 miles constructed and 35 miles projected; in Wyoming, 13 miles constructed and 60 miles projected.

Mr. J. M. C. SMITH. Can the gentleman tell why they have constructed no roads on the Michigan forest reserves?

Mr. JOHNSON of Washington. I presume that with a forest reserve stretched over the entire two peninsulas the road would have to be pretty thin under the 10 per cent that is allowed for construction.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JOHNSON of Washington. The general table of receipts and disbursements in the forest reserves to which I have referred follows:

The Clerk read as follows:

Ozark National Forest, Ark., \$9,030.

Mr. JACOWAY. I move to strike out the paragraph.

The CHAIRMAN. The gentleman from Arkansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 33, by striking out line 18.

Mr. JACOWAY. Mr. Chairman, I do not think I will detain the committee the full time allotted me under the rule, but I have some observations I want to submit. I believe that if the people living within the Ozark and Arkansas reserves were allowed to vote upon this proposition 90 per cent of them would cast their vote in favor of abolishing both of them. Ever since I have been a Member of this body I have been in favor of abolishing both the Arkansas and Ozark reserves. One of the first bills introduced by me had for its purpose the repealing of the law creating these reserves. At each succeeding Congress I have reintroduced this bill, hoping the committee would report it favorably. There have been extensive hearings on this question, as will be shown in House reports. These hearings were had May 18, 20, 21, 23, and 24, 1910. If Congress will avail itself of the opportunity to read these hearings, I feel morally sure it will be unerringly drawn to the conclusions I entertain on the question. At this time I wish to add that my colleague [Mr. FLOYD of Arkansas] on February 11, 1910, introduced a bill to abolish the Ozark National Forest. He has at each subsequent Congress introduced bills for the same purpose, and has a bill pending now before the Public Lands Committee. He and I have worked assiduously at all times for the abolishment of both the Arkansas and Ozark National Forests. It is my purpose to continue these efforts, fully believing that soon the Congress will give the people who have their homes in these reserves, and those that are desirous of homesteading, the relief that they seek and which justice demands they should have.

When I state to the committee that I am constantly in receipt of letters from people who reside within these reserves reciting how in the administering of the policy of the forestry reserves they are harassed and bothered and various and sundry injustices done them, I state that which is in every sense absolutely true. I will not encumber the RECORD nor trespass upon the patience of the committee by giving at this time a detailed statement of all these many complaints; my time will not permit. However, for the benefit of the committee I ask to read a dramatic instance bearing directly upon this matter and that occurred in the United States Federal Court, at Fort Smith, Ark.:

A DRAMATIC INCIDENT IN FEDERAL COURT ROOM.

A dramatic incident occurred in Federal court Saturday in the trial of the case in which the Government sought to recover damages from Thomas A. Johnson on a charge of removing timber from a homestead. The incident was one in which every homesteader in the district and every person interested in the work of the Government foresters is interested.

Thomas A. and Thomas H. Johnson, of Scott County, were both tried during the week on the above charge; and the two cases have taken up the larger portion of the court sessions for the week. Saturday the defendant was on the stand and his counsel was asking questions for the purpose of getting before the jury the history of defendant's homestead.

When reprimanded by the court for the indirection of queries, the counsel reminded the court that he was following the line of questioning assumed for the Government, when Judge Rogers sharply questioned the methods of counsel on both sides, declaring that counsel had consumed the time of the court for a day and half when witnesses might have told all they knew of the case in two hours; and the judge then took the defendant in hand himself.

It was evident that the defendant, a young farmer, was innocent of any knowledge of court procedure and somewhat in awe of his surroundings; but the judge quickly relieved him of his embarrassment and within half an hour had drawn from the witness an outline of his homestead history.

It was a picture of a young man with wife and child, who started out to make a home for himself by taking up a homestead near the home of his father. Clearing the timber little by little; his young wife and baby living with him in the little log house from period to period as the work of putting the tract in cultivation progressed; frequently going back to father's for short periods; father helping son on the homestead and son helping father at other periods. Small crops and timber exchanged for fence wire, team, wagon, and implements from time to time as exigencies permitted, always with the aim to build a home. After a struggle extending through three years \$200 was paid to the Government and \$15 fees out of money the young man had accumulated, pieced out with loans borrowed from father.

After the judge had drawn out the whole story, the judge remarked: "That is all. Has the defense any further questions?" Defendant's counsel had the wisdom to see that the court had made his case for him and rested. The prosecuting attorney asked permission to cross-examine. After two or three questions on other points, the witness was asked:

"What did you do with the brush on the land from which timber was cleared?"

"I burned part of it and part is still in piles."

"Is it not a fact that you did not pile and burn any brush until ordered to do so by the forester?"

The witness replied that it was not; but the proceedings were instantly halted by the remark of the court:

"The forester had no business to give any such orders. Homesteaders are not in the keeping of the Forestry Department; nor has that department anything to do with this suit. It is in charge of this Federal court district."

The court also made some sharp comments upon forestry-law complications and the institution of "pestiferous suits" which harass families actually seeking to make homesteads, who are entitled to the support and assistance of the Government; and called attention to the fact, that in the case at bar, the evidence showed that the making of that homestead has been held up for nearly three years, while the Government has retained the \$215 the defendant had paid, and has hampered the defendant in his effort to make a home for himself, wife, and child.

Both prosecution and defense quickly announced their case closed, and the court laconically remarked: "Go to the jury."

The jury were out of the room just four minutes when they returned a verdict of not guilty. In discharging the jury, the court said:

"I feel that it would not be doing justice, to close this case without saying that, for the Government to forfeit this man's homestead under the showing made here, would be a fraud and an injustice. This case should never have been brought into this court. It has cost the Government fully \$1,000 in jury and witness costs and in holding back other cases with their witnesses for the larger part of the week; and if it had been brought on adequate grounds the Government could have won a verdict of not over \$200. There should be distinction made between the man who deliberately undertakes to take advantage of the homestead laws for his own profit and the man who, with honest intention to secure a homestead, may technically violate some of the timber provisions. The Government is solemnly bound in duty to aid the man who, under the homestead law, seeks to establish a home, and not, instead, to harass and hamper him."

This pathetic story is but one of many.

I desire to further call the attention of the committee to the privately-owned lands in the Ozark Reserves. Every alternate section of land in the counties of Stone, Van Buren, Cleburne, Pope, Yell, and Perry is owned by the Missouri Pacific Railroad Co., except in those instances where the railroad company has sold it. To give the committee fuller information I will read a letter from the Secretary of the Interior.

OZARK NATIONAL FOREST.

DEPARTMENT OF THE INTERIOR,

Washington, April 9, 1910.

SIR: In compliance with the provisions of House resolution of March 7, 1910, by direction of the President I have the honor to submit the following data relative to lands in the Ozark National Forest, in the State of Arkansas:

First. The number of acres of land embraced within the exterior boundaries of the said national forest—1,526,481.

Second. The total number of acres included therein, the title to which has passed to private ownership—779,615.

Third. The total number of acres held therein by claimants under the land laws—222,806.

Fourth. The number of entries, the acres included therein, within the said national forest which have been suspended, the reason for the suspension, and the sources from which adverse reports in regard to the entries have been received, and whether or not adverse reports of the Forestry Bureau have been accepted as sufficient to warrant the suspension of entries and, in any case, conclusive as to their invalidity; also for what length of time entries have been suspended or patents denied, and what steps have been taken to determine the rights of entrymen thus questioned:

	Number of entries.	Acres.
Total entries of all kinds affected by adverse reports since creation of forest.....	167	24,041
Entries in which final proof was never submitted by the entrymen.....	107	14,120
Entries in which proof was submitted and certificate withheld pending investigation.....	30	5,861
Entries in which proof was made and final or commutation certificate issued and patent withheld pending investigation.....	30	4,060
Total.....	167	24,041

Adverse reports by forest officers..... 149

Adverse reports by special agents of this department..... 18

Entries against which this department directed proceedings on adverse reports charging lack of residence or cultivation, or both, and in a few cases also that entries were made for timber, as follows:

Entries, no proof made..... 84

Proof made, certificate withheld..... 10

Final or commuted entries..... 19

Mineral applications (charge lands not mineral in character)..... 4

Total (16,641 acres)..... 117

Status of above 117 entries:

Canceled for failure to deny charges and apply for hearing..... 27

Relinquished by claimants..... 19

Pending report from local officers..... 60

Hearings had, local officers' decisions adverse to claimants..... 9

Decisions of local officers in favor of entrymen..... 2

Total (16,641 acres)..... 117

Entries against which no proceedings have been ordered, as follows:

Adverse reports—entries relinquished by claimants before proceedings were ordered..... 6

Adverse reports—entries canceled for failure to make proof within statutory period..... 7

Adverse reports—entries held for cancellation on face of proof—reports not invoked—pending register and receiver's reports..... 3

Canceled on face of proof, reports not invoked..... 7

Forest officers' adverse reports insufficient—pending further report from Forester..... 4

Final entries and entries in which proof has been made, awaiting report from Forester	11
Forest officers' adverse reports—to special agent to investigate	2
Adverse reports pending office action	9
Suit against patent	1
Total (7,400 acres)	50

The Forest Service has the privilege of investigating every entry within a national forest to determine its bona fides, if it so desires, and proofs and entries when protested by that bureau are held without action awaiting report. Its adverse reports are not conclusive as to the invalidity of an entry, but such reports are considered by this department in connection with the entry record, and if the reports are deemed sufficient action is taken against the entries thereon. If the reports are found insufficient, the Forester is so advised, and that favorable action will be taken upon his failure to submit sufficient adverse report.

The final and commutation proofs and the final and commutation entries above set forth in detail, 60 in all, were in nearly every case submitted and made during the years 1908 and 1909. One of the proofs was made in 1906 and 2 in 1907, while 1 of the final entries was made in 1905, 2 in 1906, and 6 in 1907. All of the final and commutation entries were protested within two years from the date of final certificates.

When proceedings are ordered against an entry on an adverse report, the entryman has 30 days within which to deny the charges and apply for a hearing. If he takes this action, a hearing is duly arranged, and if testimony is submitted a decision is rendered thereon by the local land officers. Their decision and the testimony are then transmitted to the General Land Office and decision rendered on the record. If the decision of the General Land Office is adverse to the entryman, he has the right of appeal to this department.

Fifth. "What information, if any, your department has of any applications which may have been made for listing any of said lands in said national forest as agricultural lands, what applications have been acted upon, and what granted or refused?"

The Department of Agriculture has, to date, filed with this department 48 lists of agricultural lands within the Ozark National Forest, listed under the act of June 11, 1906 (34 Stat., 233), embracing a total of 1,670 acres. Forty-four of these lists have been opened to entry under said act, representing 1,550 acres. Action has not yet been taken on the remaining 4 lists.

The matter of the examination and listing of lands under said act is exclusively within the jurisdiction of the Department of Agriculture, and applications for such listing being made to the Forest Service, the Department of the Interior has no knowledge as to what percentage of such applications is allowed.

Sixth. The number of acres of lands in private ownership, the number covered by claims, and those unentered under the land laws embraced within the boundaries of said national forest lying within each of the counties of Stone, Van Buren, and Cleburne, in said State:

Stone County:	Acres.
Lands in private ownership	147,964
Lands covered by claims	60,621
Restored under act of June 11, 1906	60
Withdrawn for use of Forest Service as administrative site	160
Unappropriated lands	102,261
	311,066
Van Buren County:	
Lands in private ownership	152,281
Lands covered by claims	37,276
Restored under act of June 11, 1906	551
Withdrawn for use of Forest Service as administrative site	160
Unappropriated lands	85,272
	275,540
Cleburne County:	
Lands in private ownership	37,149
Lands covered by claims	17,673
Unappropriated lands	20,428
	75,250

Very respectfully,

R. A. BALLINGER, *Secretary.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

As stated in this letter, we find that these 1,526,481 acres of land are embraced within the exterior boundaries of the said national forests. Out of this number 779,615 acres have passed to private ownership. The total number of acres held therein by claimants under the land laws is 222,806 acres, leaving 524,060, or about one-third of the total number of acres embraced within the exterior boundaries of this national reserve.

Can it be honestly argued that the Federal Government has any jurisdiction over the land in these forest reserves the title to which has passed years since from the Government to private individuals? Yet in a most decided sense does the Forestry Bureau arrogate to itself this unwarranted function. Again, can it be contended that there is any duty devolving upon this Government to look after, protect, and conserve the many thousand acres of land owned by the Missouri Pacific Railway Co. even should it be the desire of this corporation? I think not. The people who live in these reserves and who know of these conditions, and who are as honest and reliable as any citizenship, in great numbers say that these are the conditions. To a most marked degree these facts are borne out in the letter of the Secretary of the Interior which I have just read.

In my judgment the administering of the forestry laws, in so far as Arkansas is concerned, is a dismal and signal failure, and the law should be repealed, and at once.

I feel that the bills seeking to abolish the Arkansas and Ozark Forest Reserves should be favorably reported and speedily passed by Congress.

ARE THE FOREST RESERVES IN ARKANSAS A BUSINESS PROPOSITION?

The agricultural bill as it passed the House in 1910 carried an appropriation of \$32,960 for the Arkansas National Forest and \$29,961 for the Ozark National Forest, making a total of \$62,921 for maintaining these two reserves. As shown in a letter from Hon. Willis L. Moore, Acting Secretary Department of Agriculture, we find that the total income to the Government from these two reserves for the year 1910 was \$6,346.98. Under the law 25 per cent of this amount went to the public schools and public roads of the county or counties in which the forest reserve is situated. In other words, out of the total revenues of \$6,346.98, \$1,586.74 went to the credit of these funds, leaving a balance of \$4,760.34 to go to the credit of the Federal Government. In other words, it cost the taxpayers of this Government \$58,160.66 more to maintain the Ozark and Arkansas Forest Reserves during the year 1910 than the Government secured from all sources in these reserves; that these forest reserves, in so far as Arkansas is concerned, are failures; that the Forest Service as administered in them is annoying and harassing to the people residing therein. Attention is again called to the hearings bearing directly on this question.

I know many of the gentlemen connected with the Bureau of Forestry and regard them as high-grade men. I have no quarrel to wage with them on any of their policies as affecting any other portion of this country except in my own State. I am not informed as to conditions in other States. Neither, Mr. Chairman, would I stand upon this floor and try to impede, hobble, or trammel any movement that is of a progressive nature. I had rather lend my limited ability to the processes of construction than those of destruction.

In the counties of Franklin, Johnson, Pope, Yell, and Perry, as well as in other counties affected by these reserves, are a class of people just as honest, just as capable and progressive as will be found anywhere. These people are longing for the day to come when they can be rid of the rules, regulations, and laws governing these reserves. The honest homesteader wants to found his home upon these lands that are withheld from entry in so far as practical purposes are concerned. The State of Arkansas invites this class of citizenship to make their homes within her boundaries, and to this end this Government should repeal the law creating these reserves and to permit a development for Arkansas to move forward unimpeded that is now denied her as a result of creating these two reserves. Again, I say, I have no war to wage with the Forestry Bureau as to their general policy as it affects other portions of the country, but in so far as Arkansas is concerned I take serious issue with this department, and measure my words when I say that in so far as the Forestry Service as administered in the Ozark and Arkansas reserves is concerned it is a dismal and signal failure, and on account of the very nature of things can never be made otherwise. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from Arkansas to strike out the paragraph.

The question being taken, on a division (demanded by Mr. JACOWAY) there were—ayes 22, noes 27.

Accordingly the amendment was rejected.

The Clerk read as follows:

For necessary miscellaneous expenses incident to the general administration of the Forest Service and of the national forests specified above.

Mr. GOULDEN. Mr. Chairman, I move to strike out the last word for the purpose of securing some information. We have now finished up the forest reserves, with some of which I am familiar. The amount appropriated here, as I understand, is the gross amount. How much revenue is there to offset that?

Mr. LEVER. Yes; there is.

Mr. GOULDEN. Approximately about how much?

Mr. LEVER. About \$2,400,000. That goes into the Treasury as miscellaneous receipts.

Mr. GOULDEN. And is therefore a credit against the amount appropriated to maintain the forest reserves?

Mr. LEVER. Yes.

Mr. CARTER. Of what do those receipts consist; what produces them?

Mr. LEVER. Sales of timber and grazing mostly.

Mr. CARTER. Do any of the proceeds go to the different States?

Mr. LEVER. Oh, yes; I think about 40 per cent, now.

Mr. JOHNSON of Washington. Twenty-five per cent is returned from the United States Treasury to each county, according to its proportion in the reserve where the sales have been

made, and then 10 per cent of the forest-reserve receipts is set aside for use in some reserve or reserves in the State where the money originated. This is controlled further by the forest-reserve management. There are eight reserves in my State. Ten per cent of all the receipts in all the reserves can be spent for roads in any one of the reserves.

I said a moment ago that in the Olympic Reserve of the sales amounting to \$12,000 there would come back \$3,000. I should have said that that \$3,000 is to be divided among four counties.

Mr. CARTER. The four counties get how much back?

Mr. JOHNSON of Washington. On the \$12,000 sales from timber and grazing and fines, the four counties altogether, 25 per cent. That, of course, must be divided among the four counties. It will average about \$900, but it may run down in the case of one county to \$300 and in another up to \$1,200. It runs down so small that it is not the equivalent that it should be for taxes, considering the enormous area involved.

Mr. CARTER. How much land is there in the reservation?

Mr. JOHNSON of Washington. One million six hundred thousand acres, and 33,000,000 feet of timber.

Mr. CARTER. So the four counties get \$3,000?

Mr. JOHNSON of Washington. No; \$3,000. And that must be divided among the four counties. The hope is held out every year that it is going to something worth while, but it never is.

Mr. LENROOT. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. LENROOT. Can the gentleman tell how much this particular forest service costs the county?

Mr. JOHNSON of Washington. Year before last it cost the county \$100,000 to build a trunk wagon road that the United States Government would not build, and I never have been able to figure out why the people in my State and county should have built it.

Mr. LENROOT. Was it built for the benefit of the reserve?

Mr. JOHNSON of Washington. It was built for the benefit of a handful of settlers that went there before the reserve was established.

Mr. LEVER. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by printing a table of school, road, and trail money for States from receipts' fund.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

The following is the matter referred to:

SCHOOL, ROAD, AND TRAIL MONEY FOR STATES FROM RECEIPTS' FUND.

Under existing law, besides the 10 per cent of the gross receipts which is made available for expenditure by the Secretary of Agriculture in building roads and trails for the benefit of the public, another 25 per cent of the gross receipts is paid over to the States by the Federal Government for the benefit of county schools and roads. The amounts available under both the 10 per cent and the 25 per cent clauses of the law during the fiscal year 1914 and the amounts that will be available during the current year from the receipts of that fiscal year are shown below:

Amounts available for States from forest receipts.

State.	School and road moneys paid to States, fiscal year 1914.	School and road moneys payable to States, fiscal year 1915.	Road and trail moneys expendable by Secretary of Agriculture, fiscal year 1914.	Road and trail moneys expendable by Secretary of Agriculture, fiscal year 1915.
Alaska.....	\$13,126.08	\$14,692.09	\$5,250.43	\$5,876.83
Arizona.....	74,659.49	63,398.34	29,863.80	25,359.34
Arkansas.....	12,854.02	9,983.19	5,141.61	3,993.28
California.....	74,541.55	65,001.84	29,816.62	26,000.73
Colorado.....	54,922.64	56,340.42	21,969.05	22,536.17
Florida.....	3,250.51	3,959.41	1,300.21	1,583.76
Georgia.....	108.44	108.44	43.37	43.37
Idaho.....	78,163.90	59,227.81	31,265.56	23,691.12
Kansas.....	1,148.84	1,207.72	459.53	483.09
Michigan.....	65.43	78.68	26.17	31.47
Minnesota.....	201.63	538.72	80.65	215.49
Montana.....	65,238.15	93,586.06	26,095.26	37,434.42
Nebraska.....	3,098.59	1,064.38	1,239.43	425.75
Nevada.....	16,556.89	16,894.47	6,622.76	6,757.79
New Mexico.....	31,284.15	33,743.49	12,514.99	13,497.40
North Carolina.....	206.31	206.31	82.52	82.52
North Dakota.....	67.72	74.83	27.09	29.93
Oklahoma.....	673.20	638.87	269.28	255.55
Oregon.....	55,950.72	61,606.50	22,380.29	24,642.60
South Dakota.....	11,436.70	14,469.77	4,574.68	5,787.91
Tennessee.....	20.64	20.64	8.26	8.26
Utah.....	34,902.14	37,001.15	13,960.85	15,040.46
Virginia.....	613.00	613.00	245.20	245.20
Washington.....	33,109.69	35,637.54	13,243.88	14,255.02
Wyoming.....	21,341.35	28,578.50	8,536.54	11,431.40
Total.....	586,593.39	599,272.17	234,638.68	239,708.06

The States of Arizona and New Mexico received additional shares of national forest receipts for their school funds on account of school lands included within national forests, as follows: To Arizona, paid in the fiscal year 1914 from the receipts of 1913, \$36,226.65, and payable from the receipts of 1914, \$30,730.58; to New Mexico, paid in the fiscal year 1914 from the receipts of 1913, \$9,320.65, and payable from the receipts of 1914, \$9,890.94.

The Clerk read as follows:

In the District of Columbia, \$131,970.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Yesterday I submitted an inquiry to the chairman of the committee as to the amount of money that was to be paid from the lump-sum appropriation for this service here in Washington. According to the statement of expenditures in 1914 it amounted to \$154,000. He stated that he did not have the data at hand, but would have it when the item was reached. Here we have a total in addition to the amount expended out of the lump-sum total of \$498,000 for administration expenses; and then, just prior in the bill where you provide for draftsmen, photographers, artists, and so forth, an appropriation running into hundreds of thousands of dollars. I wish to inquire specifically if the chairman has the total amount appropriated or expended in any year for administration in connection with the Forestry Service?

Mr. LEVER. Heretofore that amount has been about 15 per cent of the total fund, exclusive of the statutory roll. Under the arrangement we have provided in this bill the total amount for administrative expenses will be the sum of these seven items under consideration.

Mr. STAFFORD. The gentleman does not catch the question. We have here a total appropriation of \$498,000 for administrative expenses.

Mr. LEVER. Where does the gentleman get that?

Mr. STAFFORD. That is the total of the six or seven items just read. Then previous in the bill we appropriate I do not know how many hundred thousand dollars in detail for draftsmen, artists, and various other administrative purposes. In other parts of the bill we have expenses for administration out of the lump-sum appropriation. What I want to know is what is the total amount for administration expenses in this branch of the service, both in the city of Washington and outside.

Mr. LEVER. I thought I answered the gentleman correctly before when I stated that heretofore the amount had been about 15 per cent of the total appropriation, exclusive of the statutory roll.

Mr. STAFFORD. What is the total expense from the statutory roll?

Mr. LEVER. I am sorry I can not give that to the gentleman offhand. I may be able to get it right here.

Mr. STAFFORD. I thought the gentleman had it. Does it not approach a half a million dollars?

Mr. LEVER. The administrative expenses will probably be about 10 per cent of the total, running up to about \$500,000, both in Washington and outside.

Mr. MANN. What does the gentleman mean by administrative expenses?

Mr. LEVER. Well, I mean not salaries, not equipment, or things of that kind.

Mr. HAWLEY. Will the gentleman yield?

Mr. LEVER. I have a statement here in which it says:

Under administrative expenses are included the supervisory work, inspection work, general expenses connected with the accounting, and general expenses connected with legal work outside of the salaries of the law officers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I would ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVER (continuing)—

In addition to that there is a considerable amount of concentration of routine processes at the headquarters, such as drafting and computing work, which are more cheaply done at one point than when scattered in the national forests. Those are what we include under the general heading of "General administration." This seems to be in the nature of supervisory work and accounting work.

Mr. MADDEN. What is the total amount of the appropriation for the Forest Service?

Mr. LEVER. About \$5,000,000.

Mr. MADDEN. What are the receipts?

Mr. LEVER. I have answered about \$2,400,000.

Mr. MADDEN. So there is still a loss of about \$3,000,000?

Mr. LEVER. The excess of expenditures over receipts, as I recall it, is about \$1,750,000 for the forests themselves, exclusive of scientific, technical, and other lines of work.

Mr. MADDEN. If the appropriations are \$5,000,000 and the receipts are about \$2,400,000, there is \$3,000,000 difference.

Mr. LEVER. One million seven hundred and fifty thousand dollars would be the difference between the expenditures on the forests and the receipts from the forests.

Mr. MADDEN. I do not see how that is calculated, even with an appropriation of \$4,800,000, and the amount only received is \$2,400,000; that would still be \$2,000,000 difference.

Mr. LEVER. The reporters took my book away, but I recall now that the \$1,750,000 is the difference between receipts from the forests and the expenditures on the individual forests. The difference for the whole of the Forest Service is about \$3,000,000.

Mr. MADDEN. Is that all the expense connected with the Forest Service—the kind of expense suggested by the gentleman from Wisconsin? That is managerial expense.

Mr. STAFFORD. I was first trying to ascertain how much clerical expense was involved in the administration of the Forest Service here in Washington and in the field. I find here in the statement of expenditures for 1914 a total of \$998,000, nearly a million dollars, for salaries which I assume to be for clerical expenses. I do not know whether it is clerical or not.

Mr. LEVER. It would be clerical expenses both in Washington and outside and at the different headquarters.

Mr. STAFFORD. In that amount there is an item of \$154,000 paid out of the lump-sum appropriation for salaries here in Washington. I wish to ask the chairman of the committee what is the necessity of allowing such a large amount as that to be paid out of the lump-sum appropriation rather than placing these clerks on the statutory rolls when they are employed here in Washington?

Mr. LEVER. I assume, as I have answered several times on this proposition, that those men are carried on the lump-sum roll because they consider them more nearly scientific men, or temporary in their tenure, than clerks and permanent in their tenure.

Mr. STAFFORD. I do not wish to anticipate consideration of the next item, which is directly related to what we are now considering. I wish to inquire, Why is it necessary, in view of the appropriations for administrative expenses for these respective districts, to have the total appropriation interchangeable to the extent of 10 per cent, so that there could be at least 10 per cent of nearly \$2,000,000 applied to any one item?

Mr. LEVER. That is an important question, and I am very glad to answer the gentleman. The gentleman knows heretofore 15 per cent of the total general expenses for the Forest Service has been available for administrative purposes. The committee thought that that was an unwise provision, and that they had better set out the administrative expenses in detail in this bill, which we have done. Now, the Forest Service urged upon the committee the necessity of having some leeway in the appropriation for these 155 various units, and this 10 per cent is to give them that leeway. For instance, it might be impossible for the Forest Service, in making up these estimates, to anticipate the exact amount necessary for fire protection or some other unforeseen emergency, and this 10 per cent is put in there to meet that.

Mr. STAFFORD. I do not think the provision reported by the committee carries out that purpose. I do not care about anticipating, but the gentleman will see that the discretion given to the department has been an interchangeable item of 10 per cent on the total appropriation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. LEVER. Let us read the language.

Mr. STAFFORD. It reads:

Provided further, That the amounts so interchanged shall not exceed in the aggregate 10 per cent of all the amounts so appropriated.

That is on line 3, page 37. That would enable the Forest Service to appropriate 10 per cent of \$1,811,000 to any one item in the bill, and would not restrict their discretion in any way whatsoever.

Mr. LEVER. No; the gentleman is mistaken about that.

Mr. STAFFORD. Oh, no; I am not mistaken. I think that is the only construction which that language will bear. If you strike out the word "all" and say "of the amounts appropriated for each item herein," then you would restrict them to 10 per cent of those items. This limitation does not restrict them at all; in fact, it gives them greater liberty than they had before.

Mr. LEVER. In order to allay the apprehensions of the gentleman from Wisconsin, I might be willing to accede to his proposition.

Mr. GARNER. Mr. Chairman, I would like to ask the gentleman a question. Will the gentleman yield?

Mr. LEVER. Yes.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. HAWLEY rose.

Mr. GARNER. I move, Mr. Chairman, to strike out the last word.

The CHAIRMAN. The gentleman from Oregon [Mr. HAWLEY] is recognized.

Mr. HAWLEY. I have a remark to make, but I will yield until the gentleman from Texas [Mr. GARNER] has concluded.

Mr. GARNER. I was trying, Mr. Chairman, if the gentleman will permit me, to elicit from the chairman of the committee a general idea as to the possibility of reducing the expenditures for the forest reserve. I have noticed some criticisms of that in the magazines and newspapers. I am free to say that I know very little about it; but it has occurred to me that there ought to be some method by which the permanent expenditures in taking care of the forest reserves of this country shall be reduced. Therefore, while I am not making criticism as to the expenditure of the money, I would like to see the expenditures reduced.

Mr. LEVER. I will say to the gentleman from Texas that it is my opinion that for the present there is not any great possibility of reducing the expenditures, but there is a strong probability of increasing the revenues from the Forest Service. I believe that as soon as the lumber market gets into good condition it will be safe to say that we can increase our revenues from the national forests anywhere from \$250,000 to \$400,000 a year. I confidently believe that, although that is entering the field of prophecy, and I am neither a prophet nor the son of a prophet.

Mr. JOHNSON of Washington. Mr. Chairman, do I understand the gentleman from South Carolina to say that the lumber business is in bad condition?

Mr. LEVER. Yes.

Mr. JOHNSON of Washington. In spite of the reports of Secretary Redfield to the contrary?

Mr. LEVER. I am not talking about the reports of Secretary Redfield. I think the gentleman knows why, and I think I know why the lumber market is not now in good condition.

Mr. JOHNSON of Washington. Does the gentleman believe that with the building of good roads and automobile roads in the forest reserves in the Appalachian and eastern mountain ranges there will be any prospect whatever of reducing the cost of the Forest Service?

Mr. LEVER. I am not familiar with the Appalachian forests; but I would like to know from the gentleman from Georgia [Mr. LEE] or the gentleman from Oregon [Mr. HAWLEY], who are on the Forestry Commission, if it is true that any automobile roads are being built on the national forests that we recently acquired under the Weeks law?

Mr. HAWLEY. Not that I know of. There was one constructed on a forest in North Carolina when we obtained it, and there were some automobile roads on other portions of land that we obtained, but they were on the land when we obtained it.

Mr. JOHNSON of Washington. Then these magazine pictures showing forest rangers working on good roads are not true pictures?

Mr. HAWLEY. I will say to the gentleman that they maintain roads and construct wagon roads for the purpose of hauling supplies in to the ranger stations and for the purpose of opening up the forests, to give means for going quickly from one forest to another for the administration of the service; but there are no automobile roads for the purpose of ordinary travel.

Mr. JOHNSON of Washington. One thing more. The Forest Service puts in its tabulated statement of receipts and disbursements an item for "administration and use," beginning with \$573,000 in 1906 and increasing year by year until it was more than \$3,000,000 for the year 1913.

Mr. LEVER. The expenses of the Forest Service are set forth in detail in the papers I hold in my hand. This is the statement of expenditures. The committee has not been acting entirely without information on that subject. Here are detailed statements by districts, covering page after page, with the utmost detail.

Mr. JOHNSON of Washington. I have presented a consolidated statement of receipts and expenditures, furnished by the Forest Service.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. BUTLER. I want to get a candle some night and make a light on it and read about these expenditures for the Forest Service. That is what I am directly interested in as a Member

of the House. Can the gentleman tell me where I can get this information? I will procure the candle.

A MEMBER. Let it be a big one. [Laughter.]

Mr. BUTLER. I want to know whether we are conserving public jobs or conserving the Government property.

Mr. LEVER. We are conserving 160,000,000 acres of Government property.

Mr. HAWLEY rose.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUTLER. Mr. Chairman, I am opposed to the amendment that is pending. That is, to strike out the last word.

The CHAIRMAN. The gentleman from Oregon [Mr. HAWLEY] has the floor.

Mr. BUTLER. Very well. I will wait until the gentleman from Oregon is through. Then I want to ask some questions.

Mr. HAWLEY. Questions were asked about the proportion of the appropriation which will be expended for personal services in connection with the Forest Service as compared with the amount expended for other services out of the five million and one-half dollars appropriated for this service. The amount for salaries in the city of Washington, for salaries at the headquarters of the several forest districts, for salaries of forest rangers, timber cruisers, and those in charge of timber sales, and for all work of that kind in each forest amounts to the greater proportion by far of the entire appropriation. The amounts for rent in Washington and equipment and for rent in the several national forest districts, and for the equipment of offices and forest rangers' cabins, and for field equipment constitute a very small proportion of the entire amount appropriated by the bill for this service. The amount of money appropriated by the bill used for the payment of personal services in carrying out the law for the care and maintenance and protection of national forests is by far the greater part of the appropriation for this service.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. STAFFORD. Will the gentleman give some definite figures as to the amount of money appropriated in this bill for the Forest Service that is used exclusively for clerical services here in Washington and in the field, both that paid out of the statutory roll and out of the lump-sum appropriation? Does it not aggregate nearly a million dollars?

Mr. HAWLEY. For the payment of expenses here in Washington?

Mr. STAFFORD. For clerical services connected with the administration of the Forestry Service, in Washington and in the field, including those paid out of lump sums as well as those on the statutory roll.

Mr. HAWLEY. Let me see if I have the gentleman's question straight. The gentleman wishes to know the amount paid for clerical services in Washington and in the field?

Mr. STAFFORD. Yes.

Mr. HAWLEY. I have not that information at hand.

Mr. STAFFORD. Does it not approximate a million dollars?

Mr. HAWLEY. For clerical services?

Mr. STAFFORD. Oh, yes; for the cost of administration, of a clerical nature.

Mr. HAWLEY. It would be just a guess, which I prefer not to make.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] reserved a point of order. Does the gentleman desire to make it?

Mr. FOWLER. I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. FORDNEY. Mr. Chairman, I move to strike out the last word. I do not want to be understood as being opposed to the preservation of our forests, but I do want to make a few observations in the way of criticism upon the plan set forth in this bill, not at all criticizing the members of the committee, because the matter is presented to them by men in charge of the Bureau of Forestry in such a way that they can not contradict it.

A few years ago, when Senator Carter of Montana was a Member of the Senate, an additional appropriation was asked for by the Bureau of Forestry for that department, and a committee was appointed, of which, as I now remember, Mr. Carter was the chairman. I have read the report of that committee. The committee was requested to make an investigation as to how the money appropriated for that department from the time of its origin up to that date had been expended. As I remember the report now, \$25,200,000 had been appropriated for that bureau up to that time, and of that sum \$18,000,000 had been spent for advertising and only \$7,200,000 for actual services, or money paid out for the employment of foresters and office work. Out of a total of \$25,200,000 the sum of \$18,000,000

had been spent for advertising, when Gifford Pinchot was chief of that department.

Mr. BUTLER. What was the character of the advertising?

Mr. FORDNEY. The report stated that it was chiefly to further the interests of Gifford Pinchot as a candidate for the Presidency of the United States. Here is an appropriation of \$5,553,000 for the maintenance of our forests, for the employment of men in the field and in the office.

I want to offer this as a suggestion, because I know what I am talking about: One hundred dollars per acre will purchase to-day the choicest forest that stands in either of the five great forest States of this country—Montana, Idaho, Washington, Oregon, and California, where, according to the estimates of the Government, 54 per cent of all the timber in the United States stands. One hundred dollars per acre will purchase the very choicest of the forests in either of those States; and if this money, instead of being spent in this extravagant way for the maintenance of our forests were appropriated for the purchase of those lands, 700,000 acres of land could be purchased for that sum of money, land containing from 30,000,000,000 to 40,000,000,000 feet of the choicest timber that stands under God's sun.

I want to criticize this manner of spending the public money in the employment of great armies of men—doing what? I know some of the foresters employed by the Government to-day, and, in my opinion, if some of them were set down in the middle of a forest they would have a mighty hard task to find their way out except on a trail. They know but little about estimating timber. To-day the Government is offering timber for sale, and I once asked Gifford Pinchot, who was then Chief of the Bureau of Forestry, "Why are you offering for sale the timber of the Government in forest reserves? Why are you disposing of the timber? What is the purpose of a reserve?" He said, "Why, my dear sir, the Congress of the United States will not appropriate a sufficient sum of money for us to employ men in the field, and we are selling timber to get money for that purpose."

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. Mr. Chairman, I know very little about the Forestry Service, and I am afraid that there is no one on the floor who knows much more about it than I do; but I do know that we are losing \$3,100,000 every year in the management of the service.

Some five or six years ago, when this service was in its infancy, we were told that at the end of three years the Government would be receiving an income largely in excess of the expenditures; but every year the loss grows greater. Now, it seems to me that there ought not to be any reluctance on the part of the House to do the thing that is necessary to obtain the information as to why this service is being so extravagantly managed. It is not more extravagantly managed now than it was under previous administrations, I feel sure of that; but it is extravagantly managed, and the men who manage it either do not know or will not tell why it is being so extravagantly managed. That is obvious, for the great Committee on Agriculture, in charge of the bill, is unable to tell anybody why so large an amount of money is being expended in the service and so small an amount received in return. It seems to me that there is only one way to get the information that we have tried in vain to get, and that is to appoint a committee of the House whose sole duty it shall be to investigate the conduct of this Forest Service. The appointment of such a committee could be no reflection upon anyone. The information ought to be obtained. The heads of the departments and bureaus connected with the service ought to be put on the witness stand by some committee of the House authorized to ask them questions, and they should be kept upon the witness stand long enough to compel them to answer all the questions that are necessary to obtain the information.

Mr. STAFFORD. Mr. Chairman, will my colleague yield?

Mr. MADDEN. Yes.

Mr. STAFFORD. Have we not a committee on expenditures in each one of the various departments, which committee has exclusive jurisdiction to investigate into the expenditures of that department?

Mr. MADDEN. We have.

Mr. STAFFORD. And does not the gentleman recall that in a former Congress, when Mr. Charles E. Littlefield was a Member of this House and chairman of the Committee on Expenditures in the Department of Agriculture, he made a very exhaustive investigation of that department, although at that time the Forest Service was not under the Agricultural Department?

Mr. MADDEN. Mr. Chairman, I think that the Committee on Expenditures in the Agricultural Department could employ its

time very profitably in ascertaining why we are running behind so much every year in conducting the Forestry Service. This committee could do no better service to the American people than to obtain the information which will give everybody who wants to read an intelligent conception of how this Forestry Service is being conducted, and why it is that instead of making money as we said we would we are losing \$3,000,000 every year.

Mr. LEVER. Mr. Chairman, I do not hold any brief for Gifford Pinchot. The distinguished gentleman from Michigan, one of the largest lumbermen in the country, I think, made his talk on the assumption that Mr. Pinchot was the National Forester. As a matter of fact, he has not been in the Forestry Service for the last three or four years.

The present Forester was appointed by President Taft. I do not know his politics, and I do not care what it is. But I do believe that he is not only an honest man but that he is a capable man.

It is a very easy matter, I will say to my friend from Illinois, who has just taken his seat, to leisurely stroll in on the floor occasionally during the day and accuse members of the committee of having no information about the work at hand. [Applause.]

Mr. MADDEN. Will the gentleman yield?

Mr. LEVER. The gentleman can not yield at present; I want to continue my statement. With the exception of the chairman of this committee, I believe that the membership of the Agricultural Committee contains as highly intellectual men as the average of this body. [Applause.]

Mr. MANN. Higher than that.

Mr. LEVER. The gentleman from Illinois says "higher," and as chairman of the committee, excepting myself, I accept his amendment. [Laughter.] I am sure that there is no committee in this House, certainly not the committee of which the gentleman from Illinois is a member, that devotes the time to looking into the details of its business more than does the Committee on Agriculture. But I would have him understand that this bill contains—I have not counted them—a thousand different items carrying appropriations ranging from \$500 to \$5,000,000, and it is almost a physical impossibility for any man, no matter how bright he may be, no matter how earnest he may have been in gathering facts, to anticipate every question, sensible and not sensible, that may be asked on the floor of the House by men who have never read the report of the Secretary of Agriculture, by men who are not interested enough to read the reports of the various bureau chiefs—and from that the gentleman from Illinois could have got the information he was seeking a moment ago, and which if I had not loaned my report I could have given him—these gentlemen who have not taken the time to read the bill even, these gentlemen who have not taken the time to read the report of the committee—I say it is easy to stroll in occasionally, after having had a good smoke, and two or three of them during the day, and accuse somebody of not knowing what he was doing. [Applause.]

I want to say for the committee over which I have the honor to preside that I can present as high a range of intelligence and hard work and attention to duty as any committee in the House.

Mr. MADDEN and Mr. DIES rose.

The CHAIRMAN. The Chair has promised to recognize the gentleman from Texas.

Mr. DIES. Mr. Chairman, I want to say to the gentlemen of the committee that all the chairman of the Committee on Agriculture has said about that committee is true, and all that the gentleman from Illinois has said about the Forestry Service I have no doubt is equally true.

If the American people ever expect to get anything out of trees growing in the national forest, the American people will be disappointed. The people never get anything where the Government manages the business, except the privilege of paying the bill. All of the trees located upon the national forests will eventually be sawed up into planks, sold, and there will not be enough left to pay for the hands that look after the bugs on the trees and keep the fires out of the woods, and who draw thousands of dollars in salary looking after the service.

The Government as a manager of business, gentlemen, is a failure. When it goes into operating the railroads in Alaska there will be a failure, and when it begins to operate the ships we are going to buy there will be no profit, and when the employees of the ship lines and the Forestry Service and the Alaska railway service come here and ask for more pay and more pensions you will do just as you have with the rural carriers of the South and the pension getters of the North—you will get down on your dewclaws and make obeisance and give them all they ask. [Laughter.]

That is Government ownership; that is the effect of the new propaganda that is driving public opinion into hysterics. The Government as an employer of labor is a failure, and the Government as a conductor of business is a failure. I say if there is an American citizen living to-day that expects anything out of the forests of this country except to pay taxes to make up the deficit they will be badly disappointed. They will never get a cent; but it will all go to pay the high-salaried people that run it. [Applause.]

Mr. MADDEN. Mr. Chairman, I am very sorry that the distinguished gentleman from South Carolina, the chairman of the Committee on Agriculture, felt called upon to deliver a lecture to men on the floor of the House, charging them with walking onto the floor of the House occasionally, and then undertaking to dictate what should and what should not be done.

I want to say to the gentleman from South Carolina, that I am on the floor of the House 99 per cent more of the time than he is. I am here all the time—every day—no matter what bill is under consideration, and the gentleman from South Carolina is rarely on the floor except when the agricultural bill is under consideration. Now, I do not undertake to tell the Committee on Agriculture what they ought to do and what they ought not to do. I think there is no committee in the House so deserving as the members of this committee. They are all hard-working men; they are all devoted to the interests that come under their jurisdiction; they work night and day to determine as best they can what ought to be done; but I am sorry to say that they have not been able to develop, or rather to get the department heads to develop the information which they are continually seeking. The gentleman from South Carolina said that it could be easily obtained what the deficit in the Forest Service was, if that question were put to him. Well, I asked the gentleman a short while ago, and he said the loss was \$1,700,000 a year, and then I figured up how much the appropriations were, what the receipts are, and I concluded it was \$3,100,000 a year; so that the information obtained from the chairman of the Committee on Agriculture is not very accurate. I am not denying that the amount of the appropriation is \$5,500,000, and neither will I deny that the amount of receipts is \$2,400,000; and if I can calculate the difference between those two figures it will leave the result of \$3,100,000.

I have no criticism to make of any man on the Committee on Agriculture. I have no right to criticize them. They have done their work as best they knew how, and they have a high order of intelligence on that committee. I will admit that the order of intelligence in the committee is higher than that of any other committee in the House [laughter], and that no man in the House possesses the qualifications of the chairman of the Committee on Agriculture; that he is not only a genius in figures, but a gentleman as well as a man, and he has the good of the country at heart. He is a patriot, and he works in season and out of season to obtain information which is covered up by the heads of the bureaus in the department over which his committee presides.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. MADDEN. No. I yield to his genius and to his ability, but, with all his genius and all his ability, he has thus far been unable to obtain the information which will give the Members of the House an intelligent conception of how the Forest Service is being conducted. I do not blame him; I know he has done the best he could. I do not blame any member of the committee, because they have all done the best they could; but what I do suggest, and did suggest, is that the committee charged with the responsibility of making the investigation—namely, the Committee on Expenditures in the Department of Agriculture—ought to do its duty. I know it is not the duty of the Committee on Agriculture to do what I suggest and I am not complaining because they have not assumed that duty, but I do complain because the committee charged with the responsibility has failed to perform its duty and bring to the notice of the House and the country the information to which we and the people of the Nation are entitled. [Applause.]

The CHAIRMAN. The pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

In all, for the use, maintenance, improvement, protection, and general administration of the specified national forests, \$1,811,148: *Provided*, That the foregoing amounts appropriated for such purposes shall be available interchangeably in the discretion of the Secretary of Agriculture for the necessary expenditures for fire protection and other unforeseen exigencies: *Provided further*, That the amounts so interchanged shall not exceed in the aggregate 10 per cent of all the amounts so appropriated.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the paragraph.

Mr. JOHNSON of Washington. It is a matter of some gratification—

Mr. MANN. I would like to have this point of order disposed of. We would like to get through with this bill at some time.

Mr. STAFFORD. Mr. Chairman, I make a point of order that the paragraph is new legislation in making available interchangeably the various amounts heretofore appropriated for a specific purpose.

The CHAIRMAN. Is that all the gentleman desires to say?

Mr. STAFFORD. That it is new legislation, and for the further reason it affects the discretion that the executive heads may have in the expenditure of these various amounts.

Mr. LEVER. This item is nothing more or less than an appropriation.

Mr. MANN. It is perfectly plain to anybody.

The CHAIRMAN. The point of order is overruled.

Mr. STAFFORD. Mr. Chairman, I offer an amendment. Strike out, in line 2, page 37, the words "the aggregate" and insert in lieu thereof the words "any item," and in line 3, strike out the word "of" and also the letter "s" after the word "amount," so as to read:

Provided further, That the amount so interchanged shall not exceed in any item 10 per cent of the amount so appropriated.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 37, line 2, strike out the words "the aggregate," and in line 3, same page, strike out the word "of" and strike out the "s" after the word "amounts."

Mr. LEVER. I will ask the gentleman to explain that. I would like to hear an explanation, because I did not understand very well the reason the gentleman gave.

Mr. STAFFORD. Mr. Chairman, I am strongly opposed to granting to any executive head the right to utilize an entire appropriation for any other item. That is what this proviso would do to the extent of 10 per cent, if it stands as it is. I will say to the committee that just this kind of phraseology was the basis of the Post Office frauds which were unearthed some 12 years ago, whereby Beavers and Machen, through the interchangeable 10 per cent appropriations for the bureaus of the Postal Service, covered up their peculations so that nobody could detect just how much money was being used. The amendment I propose is to restrict the 10 per cent of appropriations to the respective items, so that 10 per cent of the total of \$1,811,000 can not be utilized for any one special forest.

If we are going to achieve anything by the policy adopted by the committee this year in restricting the amount that may be expended in the various forests, it ought to be done in some such way. Under the proposal in the administration of the service the 10 per cent of the various amounts of expenditures for the respective seven districts, ranging in various amounts from \$12,000 to \$60,000, could be utilized in those respective districts in addition to those amounts. I think that the amendment should be accepted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. HAUGEN. Mr. Chairman, just one word. After what has been said I think it is due, in justice to the chairman of the Committee on Agriculture, to say that no Member of this House devotes his time to official duties with more assiduity and greater industry than the distinguished chairman of the committee. [Applause.] The Committee on Agriculture probably gives more time to the consideration of the bills under its charge and to hearings than any other committee in this House, and, of course, a committee that gives hearings from 10 o'clock in the morning until 6 o'clock or 7 o'clock in the evening for weeks and months in the year, its members are necessarily so busy attending to matters coming before their committee that it is impossible for the chairman and members of that committee to be always present here on the floor of the House.

Now, then, as to the Forest Service, it is true that we have turned over to that service 160,000,000 acres of land—the timber, the grazing, and the water powers on it—and now, as I understand from the distinguished gentleman from Oregon [Mr. HAWLEY], it may be necessary to build railroads and possibly boats in order to dispose of the timber. We are disposing of it as well as we can. We were promised some years ago that this service would be made self-sustaining, but we find that after years of efforts to make it such we are short several million dollars. By applying economy and business methods undoubtedly the Forest Service could, or can be, made self-sustaining; but, as has

been pointed out, that is foreign to the administration of Uncle Sam's affairs. If favoritism and discrimination referred to is true, it is not confined to the Forest Service or the Department of Agriculture. It may have been a mistake to undertake the task; but, gentlemen, if so, we should remember that that was due to an act of Congress. The Committee on Agriculture has been doing its best to carry out its instructions.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For the selection, classification, and segregation of lands within the boundaries of national forests that may be opened to homestead settlement and entry under the homestead laws applicable to the national forests, \$100,000.

Mr. GOULDEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New York [Mr. GOULDEN] moves to strike out the last word.

Mr. GOULDEN. I do so for the purpose of securing an explanation. I think I will appeal to the gentleman from Oregon [Mr. HAWLEY], if the chairman of the committee will permit me. We have heard a number of serious charges made here on the floor to-day, particularly by the gentlemen from Arkansas [Mr. WINGO and Mr. JACOWAY], as well as by the gentleman from Washington [Mr. JOHNSON], with regard to the difficulty of homesteading in the forest reserves. This is an item, it seems to me, that applies especially to the matter of opening up the forest reserves for entry under the homestead laws.

These charges have been heard by Members on the floor to-day. They have impressed me with the idea that the settlers who have attempted to locate upon these forest reservations were harassed, and in some cases fined, and, in fact, it was next to impossible for any man to successfully homestead in one of these forest reserves. That is the charge, repeated and reiterated again and again, by the gentlemen from Arkansas, as well as by the gentleman from Washington.

Mr. LEVER. The answer to it is this provision and the one following.

Mr. GOULDEN. I simply wanted to know what foundation there was in the charges, and if that is so, what steps have been taken to remedy it. I know nothing about the truth of these charges, but having been through the West many times and having seen these reservations, I noticed homesteaders and settlers who looked to me as though they were on the point of starvation, and it prompted in my mind the idea that there might be something in the charges made to-day of the difficulty of homesteading on account of the management of these forest reserves by those officially in charge of them. I simply rose for the purpose of securing information.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. GOULDEN. With pleasure.

Mr. MANN. Does the gentleman understand that this is the only bill that carries a provision for this purpose?

Mr. GOULDEN. No. I will say to the gentleman that I am aware of the fact that it is not. I have heard these charges before.

Mr. MANN. I have heard them, too, but I have never taken them seriously.

Mr. GOULDEN. I am inclined to take them seriously, inasmuch as they come from the gentleman from Washington and from the gentlemen from Arkansas, because they live in those particular sections and are supposed to know whereof they speak, and I think they do.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. GOULDEN. Yes.

Mr. WINGO. Let me state this: Assuming that the Forest Service is sincere and honest and square, yet, like the average man, they have become fanatics about their own work. They look at a piece of land from the standpoint of the Forest Service. The homesteader, on the other hand, looks at it from the standpoint of the original intent of the homestead act, for the purpose of building a home. There is where the irreconcilable conflict comes. That is the conflict that Congress has got to settle, whether you are going to turn the public domain over in every instance to the official determination of men who are daffy on their particular theory, or whether Congress is going to undertake to balance and settle the conflict between the two irreconcilable forces.

Mr. GOULDEN. Does the gentleman agree that this section and the following section will remedy the evils that are complained of, as claimed by the chairman of the committee?

Mr. WINGO. I do not think they will, especially in the case of the Arkansas national forest reserve. The gentleman from Illinois does not take us seriously, because he has not been down there. If the gentleman would ever spend one day on the

Arkansas national forest reserve, he would be disgusted with the idea that those lands were ever included in a reserve.

Mr. GOULDEN. I certainly was very much impressed with the statement of the gentleman from Arkansas [Mr. WINGO], and that is why I call up the matter. I want some explanation, if possible. I have no doubt that what the gentleman from Arkansas says is true; and if the gentleman from Illinois and myself traveled through the gentleman's district, which I understand is quite a prosperous one, and saw the homesteaders struggling for an existence, I think perhaps we might agree with him.

Mr. WINGO. After my experience to-day, I think about the only hope I have is to get the gentleman from New York [Mr. GOULDEN] and the gentleman from Illinois [Mr. MANN] to go down with me and visit that reserve, and I now invite them to do so.

Mr. GOULDEN. I accept the gentleman's invitation, and I hope the gentleman from Illinois [Mr. MANN] will do the same.

Mr. MADDEN. I am going down, too.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

For the survey and platting of certain lands, chiefly valuable for agriculture, now listed or to be listed within the national forests, under the act of June 11, 1906 (34 Stats., p. 233), and the act of March 3, 1899 (30 Stats., p. 1095), as provided by the act of March 4, 1913, §85,000: *Provided*, That any unexpended balance of an appropriation of \$85,000 to be expended "for the survey and platting of certain lands, chiefly valuable for agriculture," etc., provided by the act of June 30, 1914, entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915," be, and the same is hereby, continued and made available for and during the fiscal year ending June 30, 1916, for the purpose of this appropriation.

Mr. PAGE of North Carolina. Mr. Chairman, I make a point of order against the proviso from line 15 down to the bottom of the page as new legislation. I do not care to argue the point of order at all.

Mr. MANN. Mr. Chairman, I question whether that is legislation. It is merely making a reappropriation of the unexpended balance.

Mr. PAGE of North Carolina. The gentleman certainly will not question the fact that the money could not be used with a reappropriation, which is legislation.

Mr. MANN. As far as that is concerned, all the appropriation bills, especially those coming from the Committee on Appropriations, properly contain many items of this character—

Mr. PAGE of North Carolina. If the gentleman will permit me there—

Mr. MANN. If the gentleman will let me finish my sentence, there are constant reappropriations of the unexpended balances of appropriations for prior years for the same purposes.

Mr. PAGE of North Carolina. That is true, but the gentleman also knows that the Committee on Appropriations have charge of the bill making appropriations for deficiencies.

Mr. MANN. Oh, yes; but this is not a deficiency.

Mr. PAGE of North Carolina. This is not a deficiency—

Mr. MANN. A deficiency would be for the balance of this fiscal year. This is making an appropriation for the next fiscal year.

Mr. PAGE of North Carolina. Yes; but of money appropriated for the last fiscal year presumably unexpended.

Mr. MANN. No; of money appropriated for the current fiscal year.

Mr. PAGE of North Carolina. I mean the current fiscal year.

Mr. MANN. Which will be unexpended on the 30th of June.

Mr. PAGE of North Carolina. Certainly.

Mr. MANN. Reappropriating it for the next fiscal year.

Mr. PAGE of North Carolina. Certainly.

Mr. MANN. That is not a deficiency.

Mr. GARNER. Will the gentleman from Illinois yield for a question?

Mr. MANN. I yield.

Mr. GARNER. Is there any difference between appropriating money that is now in the Treasury, that has already been appropriated for the current fiscal year, and appropriating any unexpended balance that may be in the Treasury for the coming fiscal year?

Mr. MANN. I can not see any difference at all.

Mr. GARNER. I can not see any difference at all. I do not see any reason why the committee has not the right to appropriate money already in the Treasury, as much as it has to appropriate money that may be in the Treasury.

Mr. PAGE of North Carolina. I will call the attention of the chairman to the fact that this is a change of law. Here is the

statute under which this appropriation is made, recited in the paragraph itself.

Mr. LEVER. That was an appropriation act.

Mr. MANN. I do not understand what the gentleman's point is about that.

Mr. PAGE of North Carolina. That this is legislation, and that it is a change of existing law.

Mr. MANN. Of course, the form of this language is not the very best for an appropriation. Instead of saying "reappropriated" it says "continued and made available"; but it means the same thing. Now, if they had said "reappropriated," it would clearly be in order, because we have the right to appropriate for the next fiscal year any sum in the Treasury. This takes effect as to the next fiscal year, and affects only the unexpended balance for this fiscal year that remains in the Treasury on June 30.

Mr. PAGE of North Carolina. I grant that that statement of the gentleman is true; but that fact does not keep this from being legislation. It is not an appropriation.

Mr. MANN. Why, certainly it is. Appropriation and reappropriation are the same thing.

The CHAIRMAN. The Chair is ready to rule.

Mr. PAGE of North Carolina. I am perfectly willing that the Chair shall rule.

The CHAIRMAN. There seems to be no question that the item for which the appropriation is sought to be made is in order and authorized by law, and the present occupant of the chair feels that there is no difference between a straight appropriation of a certain sum of money and a reappropriation for the same purpose of an unexpended balance, and in support of that opinion the Chair finds a precedent.

On February 12, 1897, the Post Office appropriation bill was under consideration in Committee of the Whole House on the state of the Union, when this paragraph was read:

The Postmaster General is authorized to apply to the payment of the salaries of letter carriers for the fiscal year 1897 the sum of \$23,000, being an unexpended balance of \$13,500 of the appropriation for the current fiscal year for street letter boxes, posts, and pedestals, and an unexpended balance of \$9,500 of the appropriation for the current fiscal year for package boxes.

Mr. Orrin L. Miller, of Kansas, having made the point of order, the Chairman ruled:

The Chair is of opinion that this is simply in the nature of an additional appropriation for letter carriers. There can be no question as to the authority of the Committee on the Post Office and Post Roads to report an appropriation giving an additional amount to letter carriers. The provision in this bill has simply the effect of a new appropriation. It proposes merely to use for this particular purpose an unexpended appropriation in the bill of last year. This appropriation is applied to an object already provided for by law—the payment of letter carriers. The Chair overrules the point of order on the ground that the provision is simply the application of a previous unexpended appropriation to a purpose contemplated by law.

It seems to the Chair that that precedent is on all fours with this. For that reason the Chair overrules the point of order. The Clerk will read.

The Clerk read as follows:

That hereafter all moneys received toward cooperative work in forest investigations or in the protection and improvement of the national forests or in the survey, examination, and appraisal of lands and timber, the exchange of which shall have been or hereafter may be authorized by Congress for the purpose of eliminating private holdings in national forests or of consolidating lands of the United States therein, shall be covered into the Treasury and shall constitute a special fund, which is hereby appropriated and made available until expended, as the Secretary of Agriculture may direct, for the payment of the expenses of said work and of refunds to the contributors of amounts heretofore or hereafter paid in by them in excess of their share of the cost of said work: *Provided*, That annual report shall be made to Congress of all such moneys so received as contributions for such cooperative work. And hereafter in lieu of requiring purchasers of national-forest timber to dispose of the brush and debris resulting from cutting operations the Secretary of Agriculture may require them to deposit in the Treasury such sum in each case as he may consider necessary to cover the cost to the United States of such work, and the moneys so deposited shall constitute a special fund, which is hereby appropriated and made available until expended, to enable the Secretary to pay such cost and to make refunds of any amounts deposited by such purchasers in excess of such cost.

Mr. MADDEN. Mr. Chairman, I reserve a point of order.

Mr. PAGE of North Carolina. I make the point of order.

Mr. MANN. Against the whole paragraph?

Mr. PAGE of North Carolina. I make it against the whole paragraph, for I do not see how you can separate it. There is a part of a provision at the first of the paragraph and the latter part at the end.

Mr. MANN. The appropriation at the top of the page is probably unnecessary, but it is now existing law.

Mr. LEVER. The first part is carried in the present law.

Mr. MANN. It is carried in the existing law.

Mr. PAGE of North Carolina. I did not understand the gentleman.

Mr. MANN. The first part of the paragraph is now existing law.

Mr. LEVER. And the latter part is new legislation.

Mr. MANN. Undoubtedly.

Mr. PAGE of North Carolina. In lines 4, 5, 6, and 7 there is a change in the language.

Mr. LEVER. But it does not change the meaning.

The CHAIRMAN. The Chair is of the opinion that it is legislation, and the Chair sustains the point of order.

The Clerk read as follows:

To enable the Secretary of Agriculture more effectively to carry out the provisions of the act of March 1, 1911 (36 Stat., 961), entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," \$15,000 of the moneys appropriated therein shall be available for the employment of agents, clerks, assistants, and other labor, and for the purchase of supplies and equipment required for the purpose of said act in the city of Washington.

Mr. FOSTER. Mr. Chairman, I reserve a point of order. The \$15,000 that you propose to appropriate for work in the city of Washington is in reference to the act which requires the purchase of the forest reserves in the Appalachian and White Mountain ranges.

Mr. LEVER. Yes. And I will yield to the gentleman from Oregon who is a member of that commission.

Mr. HAWLEY. Mr. Chairman, in the purchase of the land by the Forest Reserve Commission under the law the Forestry Service is directed to conduct an investigation as to the value of the land, the soil, the amount of timber on the land, the value of the timber, and as to all other questions connected with the physical valuation of the property. That work is done in the field, and all the expenses of the field work are paid out of the \$2,000,000 appropriation made annually, which is a fixed appropriation. But when these reports are sent to Washington to be worked up here in the office, and the reports digested and the data collated for the use of the commission, under the present law such work must be paid for out of the appropriation carried in the bill for the maintenance of the Forestry Service. We have asked for this legislation so that the \$15,000 could be used out of the \$2,000,000 annual appropriation for working up in the Washington office of these reports from the field, and so that we might know accurately what the land bought by the commission cost per acre, including every item of cost.

Mr. MANN. It just saves \$15,000 a year, because this charges it to the permanent appropriation; otherwise we would have to appropriate for it.

Mr. FOSTER. Mr. Chairman, I will withdraw the point of order.

Mr. LEE of Georgia. Mr. Chairman, I would like unanimous consent to insert in the Record a report of the official commission for 1914, of this commission to purchase the forest reserves. It is a very brief report.

Mr. MANN. How long is it?

Mr. LEE of Georgia. About 16 pages, but that includes two maps, which we will omit.

Mr. MANN. Is it printed as a document?

Mr. LEE of Georgia. It is printed as a Senate document.

Mr. MANN. I have no objection to its being printed, although I doubt if anybody ever reads an article printed in nonpareil type.

Mr. LEE of Georgia. It preserves it, and I should like to have it go in.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The following is the document:

[Senate Document No. 661, Sixty-third Congress, third session.]

NATIONAL FOREST RESERVATION COMMISSION.

LETTER FROM THE SECRETARY OF WAR, TRANSMITTING THE REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION FOR THE FISCAL YEAR 1914.

NATIONAL FOREST RESERVATION COMMISSION,
Washington, D. C., December 19, 1914.

SIR: In accordance with the provisions of section 5 of the act of Congress approved March 1, 1911 (36 Stat., 961), I have the honor to transmit herewith report of the National Forest Reservation Commission for the fiscal year ended June 30, 1914.

Inasmuch as there is considerable demand for information as to the lands being acquired and the procedure adopted, it is requested that in addition to the usual number of copies printed there be printed an additional 1,000 copies.

Very respectfully,

LINDLEY M. GARRISON,
Secretary of War, President.

The PRESIDENT OF THE SENATE.

REPORT OF THE NATIONAL FOREST RESERVATION COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 1914.

The act of March 1, 1911, which created the National Forest Reservation Commission and authorized the acquisition of lands by the United States on the watersheds of navigable streams, appropriated for the fiscal year 1910, \$1,000,000, and for each of the fiscal years 1911 to 1915, inclusive, \$2,000,000. Inasmuch as these moneys were appropriated by fiscal years and were not made available until expended, the appropriation for the year 1910 never became available. Owing to the limited time during which the appropriation for the year 1911 was available nearly all of that year's appropriation reverted to the Treasury. Appropriations for the years 1912 to 1915, by amendment to the act, have been made available until expended.

The lands approved for purchase by this commission to June 30, 1914, aggregate 1,104,529 acres. These were approved at an average price of \$5.03 per acre. The total amount involved in the purchases is \$5,560,202.21, exclusive of the costs of examinations and surveys. In the fiscal year 1912, 287,698 acres were approved, at an average price of \$5.65 per acre; in 1913, 425,717 acres, at \$4.71 per acre; and in 1914, 391,114 acres, at \$4.96 per acre.

Purchases have been made in 15 localities or purchase areas in the States of Georgia, New Hampshire, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia. Purchase areas have also been designated in Alabama, Maine, and Maryland, but no purchases have as yet been approved within these States.

The following table shows the program which has been undertaken and the results accomplished. Part I, consisting of the first four columns, gives information concerning the areas in which purchases are being made. Part II gives the acreage approved for purchase within each State, the average price paid, and the total amount involved, with detailed information with respect to each county, watershed, and purchase area. Part III pertains to the lands which have been acquired and paid for. The acreage, the amount paid, and the average cost are shown, as well as the location of the lands by States, counties, watersheds, and purchase areas.

Information as to purchase areas and lands being acquired under the act of Mar. 1, 1911.

Part I.—Location of purchase area.				Part II.—Approved for purchase.			Part III.—Acquired.		
State and county.	Name of area.	Watershed.	Acres.	Acres.	Average price.	Amount.	Acres.	Average price.	Amount.
ALABAMA.									
Lawrence.....	Alabama.....	Warrior.....	90,733						
Winston.....	do.....	do.....	62,227						
			152,960						
GEORGIA.									
Fannin.....	Georgia.....	Tooea.....	49,893	34,655	\$6.48	\$224,585.25	26,851.84	\$7.11	\$191,112.24
Gilmer.....	do.....	do.....	1,358	60	7.00	420.00	59.60	7.11	423.76
Habersham.....	do.....	Chattahoochee.....	30,627						
Lumpkin.....	do.....	do.....	29,145	2,555	7.00	17,885.00	2,106.00	7.11	14,977.93
Rabun.....	do.....	Savannah.....	93,611						
Do.....	Nantahala.....	do.....	2,193						
Do.....	Savannah.....	do.....	96,893	36,380	6.67	242,720.45	231.69	6.00	1,390.14
Towns.....	Georgia.....	Hiwassee.....	84,472						
Union.....	do.....	do.....	116,952	22,915	6.09	139,457.75	1,984.85	7.11	14,112.29
White.....	do.....	Chattahoochee.....	53,103						
			558,247	96,565	6.47	625,098.45	31,234.58	7.10	222,016.36
MAINE.									
Oxford.....	Androscoggin.....	Androscoggin.....	65,900						
Do.....	White Mountains.....	do.....	15,667						
			81,567						

Information as to purchase areas and lands being acquired under the act of Mar. 1, 1911—Continued.

Part I.—Location of purchase area.				Part II.—Approved for purchase.			Part III.—Acquired.		
State and county.	Name of area.	Watershed.	Acres.	Acres.	Average price.	Amount.	Acres.	Average price.	Amount.
MARYLAND.									
Garrett	Youghiogheny	Monongahela	80,250						
NEW HAMPSHIRE.									
Carroll	White Mountains	Saco	169,728	4,368	\$12.00	\$52,416.00			
Coos	Androscoggin	Androscoggin	56,532						
Do	Kilkenny	Connecticut	87,347						
Do	White Mountains	Androscoggin	172,723	72,871	6.66	485,615.50	72,212.69	\$6.32	\$456,681.05
Grafton	do	Saco	339,968	56,323	5.64	317,863.00	8,875.01	12.05	106,916.40
		Merrimac							
			826,298	133,562	6.41	855,894.50	81,087.70	6.95	563,597.45
NORTH CAROLINA.									
Buncombe	Mount Mitchell	Tennessee	58,681	11,731	10.60	124,294.00			
Do	Pisgah	do	21,366	14,994	5.00	74,970.00			
Burke	Boone	Catawba	62,024						
Caldwell	do	do	117,199						
Do	Yadkin	Yadkin	34,592						
Cherokee	Nantahala	Hiwassee	85,015						
Clay	Georgia	Savannah	16,738						
Do	Nantahala	Hiwassee	68,012						
Graham	do	Little Tennessee	184,322						
Haywood	Pisgah	Tennessee	64,664	1,345	5.00	6,725.00			
Do	Smoky Mountains	do	90,915						
Henderson	Pisgah	do	22,717	20,325	5.00	101,625.00			
Jackson	do	do	159,953						
Do	Savannah	Savannah	39,457	2,369	8.19	19,403.00			
McDowell	Boone	Catawba	28,894						
Do	Mount Mitchell	do	86,016	42,612	5.41	230,352.75	13,707.85	5.82	79,748.94
Macon	Nantahala	Little Tennessee	126,660	34,822	8.91	310,410.25	24,717.46	10.14	250,689.75
Do	Savannah	Tennessee	76,121	32,439	8.04	260,834.00	100.60	8.00	804.80
Madison	Unaka	do	72,133						
Mitchell	Boone	Catawba	16,806						
Do	Mount Mitchell	Tennessee	17,265						
Do	Unaka	do	59,036						
Swain	Nantahala	Little Tennessee	30,063	2,151	6.09	13,097.75			
Do	Smoky Mountains	Tennessee	248,786						
Transylvania	Pisgah	do	108,060	50,036	5.00	250,180.00			
Do	Savannah	Savannah	43,462						
Watauga	Boone	Tennessee	6,725						
Do	Yadkin	Yadkin	30,856						
Wilkes	do	do	129,048						
Yancey	Mount Mitchell	Tennessee	69,051	11,870	10.94	129,900.00			
Do	Unaka	do	38,208						
			2,212,845	224,694	6.77	1,521,791.75	38,525.91	8.60	331,241.49
SOUTH CAROLINA.									
Oconee	Savannah	Savannah	100,683	23,561	5.49	129,427.25			
Pickens	do	do	42,266						
			142,949	23,561	5.49	129,427.25			
TENNESSEE.									
Blount	Smoky Mountains	Tennessee	143,650	33,713	3.69	124,447.50			
Carter	Unaka	do	120,042						
Do	White Top	do	37,452	19,511	4.12	80,394.00			
Coke	Smoky Mountains	do	25,916						
Greene	Unaka	do	31,831						
Johnson	White Top	do	65,572	22,623	3.96	89,654.50	1,510.00	3.50	5,285.00
McMinn	Cherokee	do	2,283						
Monroe	do	do	47,206	1,280	4.40	5,632.00			
Do	Nantahala	do	95,648						
Polk	Cherokee	(Alabama-Tennessee)	172,569	122,864	4.73	581,319.15			
Sevier	Smoky Mountains	Tennessee	183,635	25,500	5.15	131,250.00			
Sullivan	White Top	do	29,962	12,762	5.37	68,486.00	650.00	3.50	2,275.00
Unicoi	Unaka	do	122,843	19,756	4.64	91,764.00			
Washington	do	do	29,440						
			1,108,049	257,999	4.55	1,172,957.15	2,160.00	3.50	7,560.00
VIRGINIA.									
Amherst	Natural Bridge	James	83,719						
Augusta	do	Potomac	21,494						
Do	Shenandoah	James	105,769	78,401	3.08	241,554.00			
Bath	do	Potomac	32,460						
Bedford	Natural Bridge	James	33,303	15,175	6.38	96,850.20	8,118.76	6.80	55,207.57
Botetourt	do	Roanoke	29,806	21,520	7.12	153,188.00	1,420.16	6.80	9,657.09
Frederick	Potomac	James	11,245	8,278	1.97	16,343.36			
Grayson	White Top	Ohio	79,545						
Highland	Shenandoah	James	29,469	6,800	3.25	22,100.00			
Nelson	Natural Bridge	do	32,805						
Page	Massanutten	Potomac	85,753	16,389	1.85	30,311.79	1,734.03	1.20	2,092.30
Rockbridge	Natural Bridge	James	60,877	16,265	6.74	109,639.00	15,115.68	6.80	102,786.62
Do	Shenandoah	do	816						
Rockingham	Massanutten	Potomac	34,139	11,287	1.25	14,108.75			
Do	Shenandoah	do	133,426	19,433	3.27	63,582.50			
Shenandoah	Massanutten	do	73,620	31,653	2.39	75,551.91			
Do	Potomac	do	48,311	29,986	2.87	85,936.50			
Smyth	White Top	Tennessee	52,474						
Washington	do	do	29,337	11,969	3.50	41,891.50	11,358.38	3.50	39,754.33
Warren	Massanutten	Potomac	9,434	3,700	1.39	5,137.40			
Wythe	White Top	Ohio	25,283						
			963,145	270,856	3.53	956,194.91	37,747.01	5.55	203,497.97

Information as to purchase areas and lands being acquired under the act of Mar. 1, 1911—Continued.

Part I.—Location of purchase area.				Part II.—Approved for purchase.			Part III.—Acquired.		
State and county.	Name of area.	Watershed.	Acres.	Acres.	Average price.	Amount.	Acres.	Average price.	Amount.
WEST VIRGINIA.									
Hampshire.....	Potomac.....	Potomac.....	1,992	995	\$5.50	\$5,472.50			
Hardy.....	do.....	do.....	78,686	35,410	2.88	102,154.70			
Pendleton.....	Shenandoah.....	do.....	76,991	18,000	3.49	62,750.00			
Pocahontas.....	Monongahela.....	Monongahela.....	21,754						
Preston.....	do.....	do.....	57,969						
Randolph.....	do.....	do.....	352,399	28,087	3.13	87,961.00			
Tucker.....	do.....	do.....	250,194	14,800	2.74	40,500.00			
			839,985	97,292	3.07	298,838.20			
Grand total.....			6,966,304	1,104,529	5.03	5,560,202.21	190,755.20	\$6.94	\$1,333,915.27

It will be noted from the figures in the table that the acreage acquired is small as compared with the acreage approved for purchase. This is due to the delay in settlement incident to the survey and title examination of the tracts and to the time required to put the titles into shape to be acceptable to the United States or to carry through condemnation proceedings when such are necessary.

After lands are approved for purchase every effort is made to complete the transaction as quickly as possible on account of the hardship to the vendor should he have to wait unnecessarily long for his money. With as little delay as possible the Secretary of Agriculture enters into a purchase agreement with the vendor and thereafter the survey and title examination are made. On June 30, 1914, surveys had been completed for 624,229.53 acres. Surveys were nearing completion on 145,976 acres more. Title examinations by the field title attorneys were in progress on 112,165 acres and had been completed on 368,614.21 acres, of which 120,755.20 had been acquired, 2,780 acres had been approved by the Department of Justice and were awaiting settlement, 60,665 acres were under condemnation.

The procedure is now so shaped that tracts which are free from title defects or nearly so can usually be paid for in from 6 to 8 months after approval for purchase. Longer delay in settlement in almost all cases is due to defects or condition of title which in some instances can only be overcome by condemnation proceedings. It has been urged that the Government should pay interest in cases where settlement is much delayed. We believe it would be highly undesirable to do so. To pay interest in such cases would put a premium upon defective titles and work out chiefly to the advantage of the owner who gives no assistance toward putting his title into good condition or hastening the conveyance.

CHARACTER OF LANDS WHICH ARE BEING ACQUIRED AND METHODS OF VALUATION.

Of the 1,104,529 acres which have been approved for purchase, 342,061 acres, or 31 per cent, are virgin timberlands. The forest consists of a mixed growth of hardwoods with pine and hemlock in the Southern Appalachians and hardwoods and spruce in the White Mountains. Much of the timber is now saleable at stumpage prices fully equal to those paid. Cut over and culled lands comprise 535,845 acres, or 48 per cent. On some of these the merchantable timber has been completely removed. On others only the more valuable kinds and sizes of trees have been cut, leaving much valuable material. The merchantable timber has been reserved for limited periods by the vendors on 118,533 acres, or 11 per cent. In all such cases a limit of size has been fixed below which trees shall not be cut and regulations have been agreed to which will preserve the young timber and protect the tract from fire and other damage. The approved lands include altogether 18,353 acres, or 2 per cent, of abandoned farm land. Some of this land has been abandoned for years and is slowly reverting to forest. Most of it is so steep that it never should have been cleared, but here and there are small tracts suitable for farming or grazing. The only remaining class of land is that which is barren or covered by a nonmerchantable growth of timber. This class includes 89,737 acres, or 8 per cent of the total area, and consists mainly of mountain tops or high rocky ledges.

In valuing tracts to determine the prices to be offered for them the procedure in all cases has been to carefully cruise the timber and appraise its value, taking into consideration quantity, quality, distance from market, and cost of operation. A separate appraisal is made of the land. Improvements have been valued only where they were considered to be useful to the Government, and mineral rights only when it was considered inadvisable to leave them outstanding. No value has been placed upon water power or intangible elements, such as scenery or prominence of situation.

In the period during which purchases have gone on land prices have varied but little. Cut-over lands of similar condition and location were acquired at approximately the same price in 1914 as in 1912. There appears to be no reason for much variation in this class of land except as it may be valuable for grazing, fruit growing, or some other use. Land that has been seriously damaged by fire is to be had at about \$1 per acre less than land which has not been burned.

Neither have stumpage prices varied much for the classes of timber which have been acquired. They were slightly higher in 1913 than in 1912, but in 1914 dropped back to about the 1912 level. Most of the large bodies of valuable timber are strongly held and are not to be purchased below their real value.

An objection which was at one time raised to this policy of acquisition by the Federal Government was that the Government could not acquire land at reasonable prices; that it would find that the land had been picked up in advance by speculators whose interference could not be eliminated. This difficulty, although encountered to some extent at the start, was overcome by adhering strictly to the policy of buying only at reasonable prices and refusing to buy tracts held under option for an advance in price.

RESTRICTION OF PURCHASES.

The underlying purpose of the act of March 1, 1911, is the acquisition by the Federal Government of sufficient areas of mountainous nonagricultural lands on the watersheds of navigable streams to be influential in protecting those watersheds from the bad effects of forest fires and the unwise timber cutting and clearing. The purpose of

the law restricts materially the activities to be carried on. Even in the mountainous sections of the country conditions exist which limit the areas of land to be acquired. In some localities it is the presence of farm land. Again the prevalence of coal and other minerals removes from the possibility of purchase millions of acres of mountainous or hilly lands the surface of which is necessarily held to facilitate mining operations. The policy of some of the States to acquire and hold for forest purposes their wild mountain lands makes it unlikely that the Federal Government will ever be permitted to purchase lands in those States, since under the Federal statute no purchases may be made until the State in which the land lies has given its consent through legislative action. It is the policy of many corporations, companies, and individuals to hold permanently large bodies of mountain land for their timber or other resources. These conditions taken collectively are so extensive as to restrict within somewhat narrow limits the lands available and desirable for purchase by the Federal Government.

From the beginning of purchases in the Appalachian Mountains the plan has been followed of restricting purchases to localities of especial strategic importance. The 21 purchase areas named in the table on pages 6-8 are based on many years' study by the Geological Survey and the Forest Service and include very important sections of the principal watersheds of the Appalachian region. These purchase areas are shown on the maps which accompany this report. It is not intended, nor would it be advisable, to acquire all the lands within these areas. It will be sufficient to acquire tracts of suitable size as units of forest administration. These will become demonstration forests and centers of influence for forest protection and proper utilization. Although comparatively small in total area their influence will be far reaching, and we believe they will lead to forest conservation over very large areas of land held in private ownership.

Purchases have been begun in 15 of the areas. By purchasing in a number at the same time it has been possible to make greater headway and to secure better prices than if purchases were limited to one or two. In any particular area there are times when little headway can be made and other times when it is possible to make great progress. Only by having a number of areas can fairly steady progress be made. Another great advantage of carrying on purchases in a number of areas at once is that competition and better prices can be secured. The lack of purchases in six of the purchase areas is due to the fact that until now it has not been possible to obtain lands in the acreage wanted and at prices considered reasonable.

IMPROVEMENT AND USE OF ACQUIRED LANDS.

The Secretary of Agriculture is authorized by law to protect and administer the acquired lands as national forests. Bearing in mind that the protection of the mountain watersheds can best be accomplished by maintaining a thriving forest upon the land, it will be the purpose to keep the timber growing permanently upon all portions which can not otherwise be utilized without permitting erosion or in other ways menacing the flow of the streams.

The virgin timber which is being acquired contains many trees that are overmature and becoming defective, the stands partially cut over have remaining certain kinds of timber that were not utilized at the time of lumbering. These lands, where there is sale for the timber at fair prices, will be given an improvement cutting which will remove this deteriorating material as well as such mature growth as can be spared from the forest without impairing its protective influence. Where cutting is to be done the timber will be sold on the stump to the highest bidder and cut under the rules and regulations of the Secretary of Agriculture.

The full development of the forest will require the construction of roads, trails, and telephones on the lands owned by the Government, to connect with those supplying the general public. Already the work of constructing these improvements has begun. Ninety-two miles of roadway, 520 miles of trail, and 25 miles of telephone line have been constructed. This work can be still further extended as soon as proceeds from timber sales begin to come in, since 10 per cent of the proceeds of such sales is specifically set apart by law for road and trail construction.

Roads, trails, and telephones will greatly facilitate the protection of the Government's land from fire. Fire causes such damage in the regions where lands are being acquired that the purposes of the Government for developing a maximum forest can not be carried out until fires are entirely controlled. Great progress is being made. On the lands purchased or under contract during the fiscal year 1913 only 3,600 acres were burned over, whereas it was not uncommon in past years for 10 to 20 per cent of such areas to burn over a season.

With the Government lands being developed for intensive timber production other forms of use become possible in larger degree. The range can be more completely utilized, the water resources will be more readily available to the public, and the general use of the mountains will be increased. The public greatly appreciates the opportunity to go into the highlands for health, pleasure, and recreation. Many of the tracts which are being acquired present very attractive scenery and afford delightful places in which to travel or rest. Some of the most attractive spots being in remote situations have been inaccessible, but the roads and trails which are being built will make it easier to reach them. Opportunity for camping is increased. Those who desire permanent camp sites may obtain them on payment of reasonable annual fees. Other special uses which do not injure the forest are like-

wise permitted. Demands for such uses have already started in considerable volume and are being encouraged.

ADVANTAGES OF GOVERNMENT FORESTS TO THE REGION AND COUNTRY.

Since the uses of the acquired lands are beginning to take form it is becoming clear that the forests are to serve the region in a number of important ways. By definite plan they have been widely distributed over the mountain region. Perhaps their greatest use is in the control of forest fires. Every effort is made to suppress fires on the Government lands. All improvements and all the force employed are in part or wholly for this purpose. The Government force in any community is also ready to cooperate with the State and local officials and other landowners where they can do so without expense to the Government in keeping fire out of entire communities. A great number of landowners are now coming to believe in fire protection and they welcome the Government's aid in a program that they themselves would not be able successfully to carry out.

The forests are also to serve as practical demonstrations of forestry or the production of successive crops of timber. The methods of forestry are new and demonstrations are necessary in this field as in all branches of agriculture. Certain timberland owners are beginning already to follow the example of the Government in limiting the cut so as to save the young trees and in requiring clean utilization so as to leave the stand in good growing condition.

Government ownership and management of extensive forest areas in the eastern mountains will further benefit the region in providing encouragement and aid for the mountain people in rightly using the resources of the region. The Government's undertaking is such that its representatives must mingle largely with the local people and have constant dealings with them. Of some it is buying land, others are employed in constructing trails and telephones or as forest guards. Still others are becoming timber contractors, buying small quantities of timber and cutting it under Government supervision.

The manner in which the Government forests will be handled will call for numerous small timber contractors living near at hand and working in the timber business all or a portion of the year. Some of these may desire to live on Government land, in which case they will be given every opportunity to develop comfortable homes and use the available cleared patches for their gardens and crops. The forest will thus be made permanent and thriving forest communities will be built up.

In considering the advantages of these forests to the local communities it should be remembered that 25 per cent of the proceeds goes back to the counties concerned for school and road purposes and that an additional 10 per cent is to be spent on roads and trails within the forests under the direction of the Secretary of Agriculture. The aid thus secured must in the future be of large assistance in those counties which will contain extensive areas of Government land.

Of the advantages here pointed out some are local, others regional or national. But if the results are to be as stated there will come to the Nation the added advantage of a large and important region turned to its natural use and made permanently productive. This should be true of the Appalachian region in so far as it is chiefly adapted to the production of forest. The soil will be held in place on the most critical portions of the watersheds, giving navigable streams a large measure of protection. So far as the watersheds comprise agricultural lands there can be little or no protection to the streams under this program. Soil on fields which are to be farmed permanently must be kept in place by proper methods of tillage. The program here considered covers only the areas that need to be retained in permanent forest.

WHAT WILL BE ACCOMPLISHED WITH THE PRESENT APPROPRIATION AND WHAT SHOULD BE DONE.

There remains unexpended from the appropriation for 1914 an estimated balance of some \$95,655, which, with the appropriation of \$2,000,000 for the fiscal year 1915, is available for additional purchases. With this amount it will be possible to acquire at least 300,000 acres, giving a total to be acquired with present appropriations of some 1,400,000 acres. Had it been possible to use also the \$3,000,000 which was appropriated for the fiscal years 1910 and 1911 the area acquired would have amounted to about 2,000,000 acres.

The commission profoundly believes that the practicability and wisdom of this policy of land purchases by the Federal Government has been fully demonstrated. Experience has proved that it is entirely practicable for the Government to acquire lands of the character desired at the headwaters of the navigable rivers and that they may be obtained at reasonable prices and in areas of sufficient size for successful administration as national forests. By the employment of condemnation where titles are defective a safe title may be vested in the United States.

The wisdom of the Government's acquiring and permanently holding for forest purposes extensive bodies of land at the headwaters of the great rivers is becoming more and more clear. Far-reaching good will result in safeguarding the streams from erratic flow and in protecting the watersheds from destructive erosion to which they are subject when unwisely cleared. A basis will be afforded for permanent industries in regions which otherwise are in danger of ceasing to be productive and of becoming a menace to the navigable rivers and to the communities situated upon them.

The appropriations which were made have been sufficient to start the work and make very substantial progress. Through the care exercised in making purchases the lands acquired are so well situated for administration and use that even should appropriations cease considerable good would be accomplished. But the program should not cease at this point. It should go further. However, the commission does not look upon the program as being indefinite as to appropriations, but rather as requiring appropriations through a number of years. In a report to Congress December 11, 1907, the Secretary of Agriculture expressed the opinion that by the ownership of 5,000,000 acres in the southern Appalachians and 600,000 acres in the White Mountains the Government could lead the way to the right management and use of the southern Appalachian and White Mountain regions. The commission, after an experience of more than three years in making purchases, regards that view as being entirely sound. We do not now believe it will be necessary to acquire larger areas to accomplish the purposes of the act in the southern Appalachian and White Mountains. In the view of the commission the acquisition of these areas should be considered as the present working program.

Although to this time purchases have been limited to the southern Appalachian and White Mountains, experience indicates the advisability of undertaking purchases before long in the Ozark Mountains in Arkansas, and possibly in certain other mountainous sections. Such purchases, however, would be on a small scale as compared with those in the Appalachian region.

HOW THE PROGRAM SHOULD BE WORKED OUT.

It is the judgment of this commission that the work can best be done under appropriations covering periods of five years each, the appropriations becoming available annually and remaining available until expended, as is now the case. Experience has shown that it is entirely impracticable to attempt to do this work under appropriations which expire with the fiscal year. That plan was fully tried and it had to be changed through an amendment to the act. It is likewise of the utmost importance that appropriations be continued through periods of not less than five years. Regularity of appropriations, which in this work is of the utmost importance, can best be secured in that way. When this work was begun its requirements were such that well-trained men were not available. A force of timber cruisers, title examiners, and surveyors had to be assembled and trained as experts, a task which required some two years. It would be most unfortunate to have to disband this force in case funds were not appropriated for any given year. If purchases were suspended during any year it would also require much time and expense to get under way again the negotiations that would be broken off. Many of the cruises and examinations which would have been made and which would not have resulted in purchases would have to be made over again. From every point of view it is highly desirable that appropriations continue without interruption.

It is to be emphasized that the Congress established this project upon the basis of an appropriation of \$11,000,000. Instead of hastening into purchases in order to utilize an annual appropriation, which would have been unbusinesslike and resulted in loss to the Government, the commission adopted the more conservative policy of making purchases only after full information had been secured in regard to each tract and reasonable prices had been obtained. By so doing it established the work upon a sound basis, but \$3,000,000 of the money which had been appropriated reverted to the Treasury. This \$3,000,000 will have to be reappropriated if the work is to be carried as far as the Congress intended under the first appropriation.

In the judgment of the members of the commission the work should be carried forward in a steady, systematic way until the program is completed. Since the existing appropriations cease with the fiscal year 1915, it is accordingly recommended that action be taken by the Congress during the present session to extend the appropriations at the current rate of \$2,000,000 per year until and including the fiscal year 1920.

EXPENDITURES.

The following statement shows in detail the expenditures incurred in carrying on operations under the Weeks law during the fiscal year ended June 30, 1914:

Appropriation: "National Forest Reservation Commission"	\$25,000.00
Expenditures for fiscal year ended June 30, 1914:	
Salaries.....	\$150.00
Equipment.....	60.00
Furniture.....	270.40
Freight, express, and drayage.....	.77
Total.....	481.17
Unexpended balance Aug. 31, 1914.....	24,518.83
Outstanding liabilities Aug. 31, 1914.....	0
Balance to revert to Treasury.....	24,518.83
Appropriation: "Acquisition of land for protection of watersheds of navigable streams"	\$2,000,000.00
Unexpended balance from fiscal year 1913, available July 1, 1913 (see report of the National Forest Reservation Commission for the fiscal year 1913, S. Doc. No. 307, 63d Cong., 2d sess.).....	3,002,563.20
Repayments to the credit of the appropriation during the fiscal year 1914.....	118.63
Total available for fiscal year 1914.....	5,002,681.89
Expenditures during fiscal year 1914.....	839,653.59
Unexpended balance available for further disbursement July 1, 1914.....	4,163,028.30
Against the unexpended balance of July 1, 1914, there were existing liabilities in the form of executed contracts for the purchase of lands amounting to.....	\$3,321,100.43
Lands which had been approved for purchase but for which the contracts for purchase had not been executed June 30, 1914, amounted approximately to.....	746,271.88
Total outstanding encumbrances.....	4,067,372.31
Available balance for encumbrances in fiscal year beginning July 1, 1914.....	95,655.99

Analysis of expenditures during fiscal year 1914.

Classification.	Forest Service.	Solicitor's Office.	Geological Survey.	Purchase of lands.	Total.
Salaries.....	\$118,254.16	\$28,820.84	\$191.67		\$147,266.67
Travel, station, and field expense.....	33,850.21	9,071.47	205.76	\$44.85	43,172.29
Equipment.....	13,167.94				13,167.94
Stationery.....		64.75			64.75
Rent.....	84.20	126.00			210.20
Telegraph, telephone, and postage.....	261.89	5.80			267.69
Freight, express, and drayage.....	4,109.51	4.44	1.50		4,115.45
Miscellaneous supplies, services, etc.....	20,791.79	200.24	42.73		21,034.76
Options.....	108.00				108.00
Lands.....				610,245.84	610,245.84
Total.....	190,627.70	38,293.54	441.66	610,290.69	839,653.59

¹ Expenses of Division of Accounts and Disbursements in connection with payments for lands.

The Clerk read as follows:

That hereafter as much of the act of March 4, 1913, making appropriations for the Department of Agriculture, as relates to reimbursement of "owners of horses, vehicles, or other equipment lost, damaged, or destroyed while being used for necessary fire fighting, trail, or official business," shall be extended so as to provide reimbursement to officers and employees of the Forest Service for loss, damage, or destruction of horses, vehicles, or other equipment necessarily used by them in fire fighting or in unforeseen emergencies, to be paid out of appropriations made for meeting the expense of such fire fighting or emergencies.

Mr. PAGE of North Carolina. Mr. Chairman, I reserve a point of order on that.

Mr. MADDEN. I make the point of order.

Mr. McLAUGHLIN. Will the gentleman reserve it?

Mr. MADDEN. I will reserve it.

Mr. McLAUGHLIN. Mr. Chairman, on March 4, 1913, an act was passed providing that where horses, vehicles, equipment, and so forth were employed by the Forest Service in fighting fires, in case the equipment was lost or destroyed, the owner might be reimbursed; and an appropriation was made for the purpose, or a method was provided by which the loss might be paid. The comptroller, however, has rendered an opinion to the effect that regular employees, the rangers in the service, can not recover for the loss of their property; that the act does not cover them. It was the opinion of the committee after very careful consideration of this matter that that should be remedied.

Mr. MADDEN. Will the gentleman yield?

Mr. McLAUGHLIN. Yes.

Mr. MADDEN. Do the regulars furnish their own horses and equipment?

Mr. McLAUGHLIN. They furnish their own horses and equipment; and in the ordinary, regular work they take their chances. If their property is lost or destroyed or damaged, there is no recourse; they have no way of recovering for that loss or injury. But in emergencies, where awful fires occur, where there is occasion for extraordinary work on the part of the rangers and the exposure of their persons and their property to great danger, it is the opinion of the committee that when they suffered loss they ought to be reimbursed, the same as the owners of private property hired and engaged by the Forest Service to perform or assist in this dangerous work. It seems to the committee that when a fire occurs the statute providing for reimbursement should be made to cover the property of the rangers in this extraordinary work.

Mr. MADDEN. How many cases of this sort have taken place?

Mr. McLAUGHLIN. I do not know; but not very many. But there are a great many fires, and there is an opportunity for the exercise of a great deal of skill and bravery and heroism, and all that, and it seems to us that the men engaged in that work, when they are called upon to perform that dangerous work, ought to be taken care of.

Mr. MADDEN. I withdraw the point of order.

Mr. MANN. I make the point of order.

The CHAIRMAN. The Chair will sustain the point of order, and the Clerk will read.

The Clerk read as follows:

That hereafter the Secretary of Agriculture may, upon such terms as he may deem proper, for periods not exceeding 20 years, permit responsible persons or associations to use and occupy suitable spaces or portions of ground in the national forests for the construction of summer homes, hotels, stores, or other structures needed for recreation or public convenience, not exceeding 5 acres in area to any one person or association.

Mr. PAGE of North Carolina. Mr. Chairman, I make the point of order against the paragraph.

Mr. McLAUGHLIN. Will the gentleman reserve it?

Mr. PAGE of North Carolina. If the gentleman desires to take up the time of the committee, I will reserve it.

Mr. LEVER. I want to ask the gentleman if he is going to make the point of order, explanation or no explanation?

Mr. PAGE of North Carolina. Yes; I am going to make the point of order.

Mr. LEVER. Then I do not think there is any use of taking up the time.

Mr. PAGE of North Carolina. I will withhold it as a courtesy to the gentleman, who is a member of the committee.

Mr. McLAUGHLIN. Mr. Chairman, it seems to the members of the committee that if the situation is understood there will be no objection to this. There are 150,000,000 acres of forests set apart as reserves. The property can not be purchased and, except as provided by law, there can be absolutely no use of these immense areas—a hundred and fifty or a hundred and sixty millions of acres. One of the principal objections to the entire national-forest proposition is that these lands are withdrawn from purchase or settlement; that the people in the

localities where they lie have no use of them, can not avail themselves of any privileges in connection with them; and it seems as though the authority ought to be vested in the Secretary of Agriculture to permit the harmless use of some of the places within the forests, that he ought to have authority to make leases on such terms as he pleases for a harmless, temporary use. In many parts of the forests there are places suitable for summer resorts, little parks where the people could get together for recreation and for amusement, perfectly harmless, without danger to the forests, altogether under the regulation of the Secretary of Agriculture. All these people are excluded absolutely from the forests. It seems to me and it seems to the committee, and they considered it very carefully, this language being carefully drawn, that, as we safeguard the forests and protect them in every respect, something of this kind ought to be in the law, and the Secretary ought to have the authority this provision would give.

Mr. PAGE of North Carolina. Mr. Chairman, I have no doubt in the world these hotels and summer resorts and other places would be very convenient, indeed, for the purposes of these numerous employees under these forest reserves to resort to in their days off, and at other times, but I insist upon the point of order.

Mr. LEVER. We concede it.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Total for Forest Service, \$5,553,256.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word. I have endeavored to take up no more time than necessary this afternoon in discussing what I consider to be the most important of all the Government activities—certainly the only activity where the Government holds great physical resources and hopes sometime in the far-distant future to have an income. I am glad to note a disposition on the part of quite a large number of Members to pay some attention to this great service. I note also that most Members confess freely that they know little about either the receipts or the expenditures or the form of the organization that rules supreme over a territory as vast as that of any 10 or 12 States one might name. This interrupted debate, covering perhaps two hours' time, gives some idea of the magnitude of the proposition. Does anyone suppose that Chief Forester Graves has an easy time? Why, the domain over which he reigns is larger than several of the kingdoms now at war across the sea.

Mr. Chairman, I desire to join others in paying a compliment to the chairman of the Committee on Agriculture [Mr. LEVER] and to all of the members of that committee. This bill, which they have prepared, covers every form of agricultural investigation from the smallest germ that infests some tiny seed up to the roving ranger, who glories in his title and who—paid by the Government—is the last of his type on the frontier.

Mr. Chairman, the work embraced by the Committee on Agriculture covers, as shown by this bill, the greatest possible range of activities, and I hope I have been able to show that the receipts and expenditures and general supervision of the Forest Service are not correctly lodged in the Department of Agriculture or in the Committee on Agriculture of the House of Representatives. The forest-reserve expenditures are one-fourth of all the money appropriated in the name of agriculture. They are one-eighth as much as it is proposed to expend this session for river and harbor improvements.

Manifestly, it is impossible for any member of the Agricultural Committee to know as much as he would like to know about a great bureau which controls 154 separate reserves. In my opinion, Mr. Chairman, the handling of the forest reserves and their appropriations should be in the hands of a committee devoted to that purpose alone. In fact, inasmuch as the Forest Service handles the potential resources of the United States, and will soon deal with water-power leases and other great matters, the time is here when that great service shall be a department of the Government itself, backed up by a separate committee of the House of Representatives. I submit—as one member of a district, a very large part of which is comprised of neglected forest reserves, and where the activities of the rangers are most onerous—I have been within my rights in calling the attention of this committee to what has been promised to us, and what small returns we are receiving as our share of an expenditure of considerably more than five millions of dollars.

The Clerk read as follows:

General expenses, Bureau of Chemistry: For all necessary expenses, for chemical apparatus, chemicals and supplies, repairs to apparatus, gas, electric current, official traveling expenses, telegraph and telephone service, express and freight charges, for the employment of such assistants, clerks, and other persons as the Secretary of Agriculture may consider necessary for the purposes named, in the city of

Washington and elsewhere, in conducting investigations, collecting, reporting, and illustrating the results of such investigations; and hereafter the Secretary of Agriculture may furnish, upon application, samples of pure sugars, naval stores, microscopical specimens, and other products to State and municipal officers, educational institutions, and other parties and charge for the same a price to cover the cost thereof, such price to be determined and established by the Secretary, and the money received from sales to be deposited in the Treasury of the United States as miscellaneous receipts; and for rent outside of the District of Columbia, for carrying out the investigations and work herein authorized, as follows:

Mr. PAGE of North Carolina. Mr. Chairman, I reserve a point of order for the purpose of asking the chairman what the purpose of this is, what is really to be done?

Mr. LEVER. Dr. Alsberg, when before the committee, made this statement:

We have received a considerable number of requests from public-health laboratories where bacteriologists are employed for samples of pure sugar, which can not be obtained in commerce but which the Bureau of Chemistry has made from time to time for its own purposes. Those sugars are necessary for the study of bacteria—for the identification of such bacteria as the organism that produces typhoid. We have had no authority to aid these public institutions by giving them small quantities—an ounce or two—of these very rare sugars, which we get as a by-product in some of our work. We felt that they should not be given free but that they should be paid for, in order that their value might be appreciated.

Mr. PAGE of North Carolina. I withdraw the point of order.

Mr. FOSTER. Mr. Chairman, I renew the point of order. I see the committee put in language in reference to illustrating the results of such investigation.

Mr. LEVER. The statement of the chief on that proposition is this:

That is for the purpose of giving us authority to make illustrations of an educational nature. An example of that is the production through the past year of an egg-candling chart, of which I have a sample here. In the course of our investigations on the shipping and marketing of eggs, studies on the candling of eggs were made. We had these drawings made [indicating drawings]. We had no authority to publish that kind of a chart. Fortunately, the State of Missouri wanted those illustrations for a bulletin; so the State of Missouri had the stone made and the lithographs prepared, and the Department of Agriculture bought a certain number of those charts from the publisher.

Mr. FOSTER. It is simply to make that use of the investigations?

Mr. LEVER. Exactly.

Mr. FOSTER. Not for the purpose of putting them on moving pictures or anything of that kind?

Mr. LEVER. Not at all; just simply to illustrate what the department is doing for educational purposes.

Mr. FOSTER. Not these other purposes?

Mr. LEVER. Not at all; there is no such intention in the minds of the committee, and I do not think in the mind of the department.

Mr. FOSTER. I withdraw the point of order.

The Clerk read as follows:

For investigating and testing the chemical and physical properties of leather and tanning materials, and for the study of tanning processes, and the utilization of tannery by-products, \$8,000.

Mr. PAGE of North Carolina. Mr. Chairman, I make a point of order against the paragraph. It is new legislation. I do it, Mr. Chairman, for a purpose.

The CHAIRMAN. The gentleman from North Carolina [Mr. PAGE] makes a point of order against the paragraph.

Mr. PAGE of North Carolina. This is starting up a new work in the Department of Agriculture that is now being done by the Bureau of Standards. We have built up the Bureau of Standards to do all this testing for the Government, and even for private individuals, and for that reason I make a point of order.

Mr. LEVER. I am not sure it is subject to a point of order, but I will not argue the proposition.

Mr. MANN. Of course it is subject to a point of order.

The CHAIRMAN. The point of order is sustained. The Clerk will read.

The Clerk read as follows:

In all, for general expenses, \$139,680.

Mr. MANN. Mr. Chairman, the total should be corrected.

Mr. LEVER. I shall ask unanimous consent at the close to correct the totals.

Mr. MANN. You had better ask unanimous consent now.

Mr. LEVER. I ask unanimous consent, Mr. Chairman, that the totals of this bill may be corrected by the clerk.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all totals in the bill may be corrected by the clerk to the committee. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Enforcement of the food and drugs act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906, entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious

foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," in the city of Washington and elsewhere, including chemical apparatus, chemicals and supplies, repairs to apparatus, gas, electric current, official traveling expenses, telegraph and telephone service, express and freight charges, and all other expenses, employing such assistants, clerks, and other persons as may be considered necessary for the purposes named, and rent outside of the District of Columbia; and to cooperate with associations and scientific societies in the revision of the United States Pharmacopœia and development of methods of analysis, \$635,161.

Mr. FOSTER. Mr. Chairman, I make a point of order on the language beginning on line 21, after the words "District of Columbia."

The CHAIRMAN. The gentleman from Illinois makes a point of order.

Mr. MANN. Will the gentleman reserve his point of order for a moment?

Mr. FOSTER. Certainly.

The CHAIRMAN. To what does the point of order refer?

Mr. FOSTER. I make the point of order on the language on line 21, after the words "District of Columbia."

Mr. MANN. We have official representatives on the board which revises the Pharmacopœia, an annual revision being partly made and a decennial revision being quite completely made in the Bureau of Chemistry. I do not know how often this item or a similar item may come in, but these people are compelled to do this work. The Pharmacopœia is an official document under the pure food and drugs act, and it is desirable, certainly, to have the officials who have to enforce the pure food and drugs act to help in revising the Pharmacopœia. That is all this contemplates.

Mr. FOSTER. I think the gentleman is mistaken as to that.

Mr. MANN. We have always provided for this in some way.

Mr. FOSTER. This is a private matter, and private capital pays for it and gets what profit may come from it.

Mr. MANN. Of course private capital pays for the publication of the Pharmacopœia, but it is not revised at the expense of private capital at all. It is revised by the scientific associations of the United States, and in that revision the Government officials are represented as officials of the Government.

Now, we make the Pharmacopœia the official statement under the pure food and drug act, as a matter of convenience, it is true, and yet these people ought to be represented in making up this Pharmacopœia, because they are obliged to follow it all the time in the enforcement of the law. The expense is very nominal, of course, so far as that is concerned.

Mr. FOSTER. I judge the expense would not be large.

Mr. MANN. The authority ought to be granted, surely.

Mr. FOSTER. I will state to the gentleman that we have tried to get some other pharmacopœia of the United States adopted by Congress. In times past such an effort has been made, and we never were able to succeed.

Mr. MANN. I would be willing to argue the question with the gentleman any day and undertake to convince him that it is impossible to make two standards of medicine at the same time of the same medicine. Of course, I know that the proposition has been to make the Homeopathic Pharmacopœia official by the Government, and nobody has any objection to that except in those cases where one pharmacopœia gives a statement as to the formation of a remedy in one way and another pharmacopœia gives a statement of its formation in another way, and nobody can enforce the law where you have two definitions of the same thing.

That has been the only objection to it. But if my friend is objecting to this because he is a homeopathist, of course I have nothing further to say.

Mr. FOSTER. I do not understand the gentleman.

Mr. MANN. I say if the gentleman is objecting to this because he is a homeopathist, I shall have nothing further to say.

Mr. FOSTER. Not at all.

Mr. MANN. I supposed it was that way when the gentleman put it on the ground that the homeopathic pharmacopœia had not been made official.

Mr. FOSTER. The gentleman remembers that when this was in the bill a year or so ago it went out on a point of order.

Mr. MANN. I would not dispute with the gentleman if he says that is the case, but I do not remember it.

Mr. FOSTER. I am not referring to this particular item, but to the other matter that the gentleman speaks of.

Mr. MANN. I made a point of order, having had it under consideration in my committee for years, and having said to gentlemen interested in the publication of a new homeopathic pharmacopœia as against an existing pharmacopœia that nobody had any objection to making either one of the pharmacopœias official as to these things that were not duplicated. You can not enforce a prosecution against a man when you can not define what the crime is.

Mr. FOSTER. I think the gentleman is partly right and partly wrong in his statement. However, in this case I will withdraw the point of order and let it go. But I do not think it is fair treatment.

Mr. MANN. The Committee on Interstate and Foreign Commerce, when I was chairman—and the same is true now—never had the slightest desire to be unfair in the treatment of homeopaths, but always greatly respected their opinions and their pharmacopoeia.

The CHAIRMAN. The time of the gentleman has expired. The point of order is withdrawn, and the Clerk will read.

The Clerk read as follows:

For the examination and classification of agricultural lands in forest reserves, in cooperation with the Forest Service, \$20,000.

Mr. RAKER. Mr. Chairman, I have a matter that I am taking up with the department on this subject, and I shall be prepared to speak on it when the bill is taken up for consideration the next time. I do not want to occupy the time of the committee now, and I ask unanimous consent that this item may be passed, to be taken up when the committee next meets.

The CHAIRMAN. The gentleman from California asks unanimous consent to pass this paragraph. Is there objection?

Mr. MANN. Reserving the right to object, what does the gentleman want to do?

Mr. RAKER. I want to see if an amendment can not be presented which will come within the Holman rule, so as to permit a man in the Forest Reserve, who has obtained, say, 30 or 40 acres of land, lived on it, and then before proving up has obtained 10, 15, or 20 acres more, to make proof on the whole tract, and obtain his patent all at one time without making two or three bites of it.

Mr. MANN. This committee would not have jurisdiction of a matter of that sort. That belongs to the committee of which my distinguished friend from California [Mr. RAKER] is a very active member.

Mr. RAKER. Does the gentleman recognize that this legislation was originally placed upon an appropriation bill, providing for these very things? I do not want to take the time of the committee, and it will take but a moment. If my amendment is not in order, of course that will end it.

Mr. MANN. If it were in order, it would take some time to discuss it. I think the gentleman ought to rely upon his own committee for that legislation. We are getting to a pretty late point in the session, where we have to dispose of things as we go along.

Mr. RAKER. I know, but I have not brought the correspondence here, and do not want to delay the committee if I can avoid it. I do not want to take the time of the committee without results.

Mr. MANN. I know. It is very seldom that the gentleman does.

Mr. RAKER. I have taken very little time of the committee.

Mr. MANN. Of which committee—the Committee of the Whole House on the state of the Union?

Mr. ADAIR. Any old committee.

Mr. RAKER. This particular committee at this time. I want simply to say that there are many complaints from actual bona fide homesteaders who apply for agricultural lands in the forest reserves. The complaint is that when a man makes his application there may be 100 acres for which he applies, and he is cut down to 40 acres and the tract zigzags in the survey, and on a full showing later more land is added; but the procedure is one which leads to great delay, and I was hoping that this matter might be regulated by giving the department further power if necessary, to the end that the homesteader might obtain title all at one time and so build up the country. I am asking this in the interest of homesteaders who are not seeking timberlands or mineral lands, but actual homes.

Mr. MANN. Of course, the homesteaders are very properly seeking to get good land wherever they can find it, if they do not have to pay for it. I do not blame them for that; but they had just as lief take advantage of the Government as anybody else. We could not properly perfect legislation of that sort on this bill. I shall have to object.

The CHAIRMAN. The gentleman objects. The Clerk will read.

The Clerk read as follows:

Preventing spread of moths, Bureau of Entomology: To enable the Secretary of Agriculture to meet the emergency caused by the continued spread of the gypsy and brown-tail moths by conducting such experiments as may be necessary to determine the best methods of controlling these insects; by introducing and establishing the parasites and natural enemies of these insects and colonizing them within the infested territory; by establishing and maintaining a quarantine against further spread in such manner as he shall deem best, in cooperation with the authorities of the different States concerned and with the several State experiment stations, including rent outside of the District of Columbia,

the employment of labor in the city of Washington and elsewhere, and all other necessary expenses, \$310,000.

Mr. MANN. Mr. Chairman, I move to strike out the last word. What is being done and what progress is being made in the effort to control the gypsy moth and the brown-tail moth?

Mr. LEVER. The information we have from the chief of the bureau on that subject is, I think, quite encouraging. They have lately introduced a parasite which is handling the situation pretty well and which the chief of the bureau thinks will probably control it in time.

Mr. MANN. Of course if they are going to eliminate or control one or both of these moths by a parasite which lays eggs that develop in the body of the moth it ought not to entail any very large amount of expense after they get started.

Mr. LEVER. Of course the introduction of the parasite is quite recent, as the gentleman knows.

Mr. MANN. I do not know how far it has been successful. I know they have been introducing the parasite for a number of years, and sometimes they have been able to find it again in a locality where they have introduced it, but usually they have not.

Mr. LEVER. Heretofore the parasite has not been very satisfactory, but recently they have introduced a parasite which they think is going to be very valuable in keeping down the moths.

Mr. MANN. Of course we appropriate quite a sum of money. How far are they successful in preventing the spread of these moths in New England?

Mr. LEVER. Let me read the statement of Dr. Howard:

Dr. HOWARD. The work is going on very satisfactorily. The conditions in the infested territory are better than they have ever been, but there have been one or two outside outbreaks. Last winter, after I appeared before this committee, a colony of the moths was found at Mount Kisco, N. Y. The State authorities came down and borrowed some scouts from us, and by vigorous action they outlined and treated the colony, and I think this year they are on their way to actual extermination. Then, within the last two months, a colony was discovered at Rutherford, N. J., and the State of New Jersey, together with our scouts, are trying to wipe that out.

Upon the whole, I think the reports of the department are very encouraging.

Mr. RAKER. I move to strike out the last two words. Before making my statement, I want to ask the chairman of the committee whether or not under this provision the department is making any effort to prevent the spread of these two pests by packages that are sent through the parcel post? Would this provision permit the department to take action in that particular?

Mr. LEVER. Oh, undoubtedly. Nothing can pass out of these quarantined districts that has not undergone the inspection of the department.

Mr. RAKER. Suppose a parcel is sent from a point in the Eastern States where these pests exist, and the parcel goes to California and is there in the post office. How are you going to get this package out to determine whether or not it is inspected before it is delivered to the consignee?

Mr. LEVER. I will say to the gentleman candidly that that would be a pretty hard proposition. I imagine that it could be done under some regulation of the department. I do not know what regulation they may have on that subject. I do not know whether they would do anything at all under such circumstances.

Mr. RAKER. If it is not done and can not be done, does not the gentleman believe that while we are permitting plants and bulbs to be issued by parcel post, and we have a law in regard to quarantine on infected plants, that there ought to be some method by which the further spread of these diseases should be prevented and have the parcel-post articles inspected at the point of destination.

Mr. LEVER. I would not commit myself to that as a policy, but the gentleman's statement is very persuasive, at least.

Mr. RAKER. If there is no law on the statute book against it, and a State permits the inspection, does not the gentleman believe that under this appropriation the Government, in connection with the State, would be able to inspect the plants? In other words, could the funds provided for in this bill be used?

Mr. LEVER. I do not know as to this particular fund, but there are funds in the bill that could be used for that purpose.

Mr. RAKER. For these two particular moths?

Mr. LEVER. Yes; undoubtedly.

Mr. RAKER. I withdraw the pro forma amendment.

The Clerk read as follows:

Salaries, Bureau of Biological Survey: One biologist, who shall be chief of bureau, \$3,500; 1 chief clerk and executive assistant, \$1,800; 1 administrative assistant, \$2,250; 1 financial clerk, \$1,600; 2 clerks, class 3; 3 clerks, class 2; 5 clerks, class 1; 3 clerks, at \$1,000 each; 2 clerks at \$900 each; 1 preparator, \$1,200; 1 messenger, \$720; 1 photographer, \$1,300; 1 game warden, \$1,200; 1 draftsman, \$900; 2

messengers, messenger boys, or laborers, at \$480 each; 1 laborer, \$600; 1 charwoman, \$240; in all, \$34,470.

Mr. LEVER. Mr. Chairman, I offer the following committee amendment to correct a typographical error.

The Clerk read as follows:

Page 52, line 1, after the word "clerks," insert a comma.

The amendment was agreed to.

The Clerk read as follows:

General expenses. Bureau of Biological Survey: For salaries and employment of labor in the city of Washington and elsewhere, furniture, supplies, traveling, and all other expenses necessary in conducting investigations and carrying out the work of the bureau, as follows:

Mr. CULLOP. Mr. Chairman, I move to strike out the last word. I do this for the purpose of having inserted in the Record a concurrent resolution adopted by both branches of the Indiana Legislature about 10 days ago concerning the quarantine of the foot-and-mouth disease in the State of Indiana.

It clearly shows the people of that State were dissatisfied with the manner in which this matter was being administered. The resolution is as follows:

Concurrent resolution pertaining to the foot-and-mouth disease.

Whereas there exists a modified quarantine by the Federal Government against 67 counties within the State of Indiana in which foot-and-mouth disease has not and does not at the present time exist, said modified quarantine prohibiting shipments of cattle, sheep, and other ruminants and swine for interstate shipment for any purpose other than immediate slaughter; and also a quarantine against 25 counties within the State of Indiana in which no known cases of foot-and-mouth disease now exist, 7 of the 25 counties adjoining counties where outbreaks of said disease occurred, but in which no outbreaks of said disease have existed at any time; and prohibiting interstate shipments from said quarantined counties unless inspected by Federal inspector before shipment, and also requiring that said shipments be made to quarantined sections of public stockyards at the point of destination or to abattoirs where Federal meat inspection is maintained, and prohibiting the same and the shipment from said point of destination, except to abattoirs within the State and for immediate slaughter only; and

Whereas the stockmen and farmers living within the counties under Federal quarantine are compelled to ship their live stock to quarantined sections of public stockyards and suffer heavy financial losses, amounting to from \$40 to \$100 a car because of shrinkage in weight of live stock, the result of delay in unloading cars and improper facilities for handling live stock, and because of the lower prices paid for all live stock in the quarantined section of said stockyards, due to lack of competition; and

Whereas farmers and live-stock breeders living in the State of Indiana are prohibited from shipping cattle, sheep, and swine interstate for purposes other than immediate slaughter, thus seriously interfering with the production of meat and the business and operations of the breeders of pure-bred stock; and

Whereas we believe that the control of foot-and-mouth disease is well in hand in the State of Indiana, and that there is a general and urgent demand for immediate relief by the farmers and live-stock men: Therefore be it

Resolved by the house of representatives (the senate concurring), That we respectfully request that the United States Senators and Members of Congress from the State of Indiana in the Congress of the United States call on the Secretary of the United States Department of Agriculture at an early date to request that reshipment of live stock be permitted from quarantine sections of stock yards now under a Federal quarantine to stock yards or stock markets in other States for immediate slaughter, and that the quarantine area which includes the counties in which the outbreaks of foot-and-mouth disease have occurred, and the infected animals have been slaughtered, and certain adjoining counties, be immediately changed to include the 5-mile zones surrounding premises where infection has existed; and that live-stock breeders and farmers located in the State of Indiana be allowed to ship, interstate, animals for breeding purposes from sections outside of the said 5-mile zones upon inspection by Federal or State quarantine officers; and further, that it is not the purpose or intention of this resolution to interfere with or hamper in any way the stamping out of the present outbreak of foot-and-mouth disease by the Federal and State authorities, which we believe is necessary to the live-stock industry of this country; and that we sincerely believe the relief asked for in these resolutions is reasonable and will not endanger in any way the live-stock interests of this or any other State; and that a copy of these resolutions be transmitted by the chief clerk of the house of representatives to the Secretary of the United States Department of Agriculture, and to each of the United States Senators and Representatives of the State of Indiana in the Congress of the United States.

Now, Mr. Chairman, some reference has been made about the quarantine of stock because of this disease in Indiana. I take it the work on this subject in that State was not so very satisfactory or the legislature would not have deemed it necessary to adopt this concurrent resolution. It was adopted about 10 days ago by a unanimous vote in both branches of the legislature, and was introduced because of the practical unanimous demand of the farmers and stock breeders to be relieved from what they felt and knew was operating as an injustice to them. They knew the manner in which the quarantine was enforced discriminated against them unjustly and ought to be modified so that the injustice would be removed. They felt it so keenly and knew it so well that the legislature recognized the merit of their contention and acted promptly in the premises as far as it could go. It would seem that a Government official with nothing but the good of the public at heart should not have permitted the matter to go on until the people were compelled to protest through their legislature. It occurs to me, and doubtless to each Member, that there was urgent neces-

sity for this action on the part of the legislature or it would not have been taken. Public requirements demanded it take notice of the matter, and it did so. This clearly demonstrates that in the administration of this matter in that State the people have not been satisfied, and hence the expression was made of their objection in this public and official way.

Complaints of the wrongs done because of the manner in which it has been administered have been many and emphatic, and as the matter has been brought to the attention of the department in an official manner, I hope it will take proper notice of it and see to it that the party responsible for it shall be brought to justice and dealt with properly. This will not repair the injury done the innocent who have suffered because of it, nor will it repair the losses suffered, but it will admonish those who are intrusted with a similar public duty hereafter that such duty must be efficiently performed and the rights of the public preserved, which has not been done in this instance, as it most clearly appears.

The Clerk read as follows:

For investigating the food habits of North American birds and mammals in relation to agriculture, horticulture, and forestry, including experiments and demonstrations in destroying wolves, prairie dogs, and other animals injurious to agriculture and animal husbandry, and for investigations and experiments in connection with rearing of fur-bearing animals, including mink and marten, \$110,000: *Provided*, That of this sum \$15,000 shall be used for the destruction of ground squirrels on the national forests and other public lands: *And provided further*, That of this sum not more than \$5,000 may be used in investigating the disease of wild ducks in the Salt Lake Valley region of Utah.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I do not know whether this paragraph is an illustration of how difficult it is to ever stop an appropriation after it has once started, or whether it is an illustration of the natural and proper extension of the work. We started in to appropriate a certain amount of money for the destruction of ground squirrels in the national forests, assuming that when they got those all destroyed we would quit making that appropriation. But possibly—I do not say that it is so—gentlemen who hold the job, when they run out of squirrels in the national forests, still like to continue the work, so they have got the committee to insert "or other public lands," and we now have entered on a project of killing all the ground squirrels on all the lands in the West.

If we commence to kill the ground squirrels in all the lands of the United States and my recollection as a boy is any good, it is quite a task that we have entered upon. What harm do the ground squirrels do the Government on the public lands?

Mr. BARTLETT. Will the gentleman allow an interruption?

Mr. MANN. Yes.

Mr. BARTLETT. I think we have also spent a considerable amount of money destroying them in California to prevent their carrying diseases.

Mr. MANN. Yes; that is carried in another bill.

Mr. LEVER. Does the gentleman from Illinois direct his inquiry to me?

Mr. MANN. To anybody who is willing to respond.

Mr. LEVER. The gentleman from Minnesota [Mr. ANDERSON] is thoroughly familiar with the proposition, and I appeal to him.

Mr. MANN. He is young and tender on the committee, and I suppose that is the reason that he dares to rush in to defend it. [Laughter.]

Mr. ANDERSON. I am not defending anything. I will read what was said before the committee:

Mr. HENSHAW. That is the case, Mr. Chairman. The new language as it appears in these estimates reads, "and adjacent public lands," but since that would limit our work to national forests and lands contiguous thereto, we now would like to change that again so as to read "national forests and other public lands." There are public lands more or less remote from national forests where we are very anxious to carry on demonstration work for the benefit of neighboring farmers, but our present authority is not sufficiently broad to permit that. If the words were changed to "and other public lands," that would enable us to do the needed work.

And so I take it that the change of language is designed to permit demonstration work for the benefit of settlers.

Mr. MANN. I do not know how accurate the gentleman is in other respects, but he is wholly inaccurate in his statement that this appropriation does not permit demonstration work on public lands as to ground squirrels, because this item is "for investigating the food habits of North American birds and mammals in relation to agriculture, horticulture, and forestry, including experiments and demonstrations in destroying wolves, prairie dogs, and other animals injurious to agriculture and animal husbandry." That permits the demonstration work on public lands in reference to ground squirrels.

Mr. ANDERSON. The proposition of the gentleman before the committee was that that only permitted demonstration in the forest reserves.

Mr. MANN. The gentleman in charge of the work does not know what the appropriation is. It is first \$110,000 for demonstration work destroying animals injurious to agriculture. Then there is a provision that \$15,000 of this shall be used for the destruction of ground squirrels in the national forests. That is a mandatory provision. I say here is a man with a job. The squirrels have run out; the money must be expended; so that the man has to extend the scope. He can not find squirrels on the national forests, so he wants to extend it and find them on the public domain. But he already has authority to make experiments in the way of demonstration work in any place in the national forests or on the public domain, or in New York City if he can find squirrels there. There is no limitation. But now he wants to be forced to destroy the squirrels on all the public domain. Why, that is an immense undertaking and ought not to be entered upon. If we enter upon it we will be asked to destroy all noxious animals in the United States before we get through if this gentleman continues to live.

The CHAIRMAN. The gentleman withdraws the pro forma amendment.

Mr. MANN. And could not get a reply.

The Clerk read as follows:

For all necessary expenses for enforcing the provisions of the act approved March 4, 1913 (37 Stat. L., 847, 848), relating to the protection of migratory game and insectivorous birds, and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, \$50,000.

Mr. CULLOP. I find a great many complaints concerning this legislation, and only yesterday I received a letter from the game warden of Indiana complaining about the operation of the law there, and inquiring if a test case had been made.

Mr. LEVER. A test case has been made.

Mr. CULLOP. Among other things, saying that the lawyers had advised the warden that the act itself was invalid and that it worked great hardships. A few hunters are living in the country yet in many places, and they desire to exercise the privilege of enjoying this sport, but that they are denied the pleasure on account of this law. The letter is interesting, and I here submit it for the benefit of the committee:

INDIANA FISH AND GAME COMMISSION,
Indianapolis, January 21, 1915.

Hon. W. A. CULLOP, Washington, D. C.

DEAR MR. CULLOP: Under the Federal law of 1913, providing for Federal control of migratory game and insectivorous birds, waterfowl, including brant, ducks, geese, and swan, may be killed from September 1 to December 15, inclusive. Woodcock may be killed from October 1 until November 30, inclusive, and jacksnipe or Wilson snipe, black-breasted and golden plover, and greater or lesser yellow legs may be killed from September 1 to December 1, inclusive.

It so happens that the open season provided by said law for killing the above game birds is the very time that there are none of these birds in Indiana to shoot, and the sportsmen of this State feel that the law is a very unjust one, and they are up in arms against it. Practically the only duck shooting we have in Indiana is in the early spring, as the birds linger a few days in their flight to the north, and our sportsmen, under the Indiana law, can shoot ducks, geese, etc., until the 15th day of April, which gives them a few days of duck shooting in the spring months. The Federal law takes away the only duck shooting our sportsmen have. These same conditions exist as to the shooting of woodcock, snipe, and the other game birds mentioned above. The open season fixed by the Federal law for shooting them is the very time when there are none in Indiana to shoot. Our sportsmen view the Federal law as purely a rich man's law. These birds are protected by law in their flight from the south to the north and are then slaughtered in the summer months in Canada, and, really, the only sportsmen who have any opportunity to enjoy shooting these birds are those who are wealthy enough and have sufficient leisure to spend their winters south and their summers north.

I am informed that the Federal law is not being enforced and that the Government has not the men available to enforce it, if it so desired. It seems to be the opinion of a great many of our best lawyers that the said law is unconstitutional. I am also informed that an article was published in Field and Stream to the effect that certain parties in the State of Kansas had violated the law and invited the Federal authorities to arrest them, in order to test its constitutionality, but that the Federal authorities refused to make the arrests. What are we to do? Shall we go ahead and observe the Federal law or shall we disregard it and observe only our State laws?

The Fish and Game Commission of Indiana is vitally interested in this matter, not only because it seems to be unjust to our sportsmen, but for the further reason that our commission derives its funds from the sale of licenses, and if our sportsmen are deprived of this shooting, there is no reason why they should pay out their money for the privilege.

I should be very glad to have you take this matter up with the proper authorities and give me your advice as to what action this department should take in regard to the observation of the State law.

Yours, very truly,

E. C. SHIREMAN, Commissioner.

Was it the real purpose of this law when it was enacted in regard to the migration of game from one part of the country to another to protect it, or was it to give some hunters an advantage over others?

Mr. LEVER. It is to protect migratory game. That answers the question in one sentence.

Mr. CULLOP. And not in the interest of the hunters of any particular section of the country. I must confess it looks to me as if it was in the interest of certain classes of hunters.

Mr. LEVER. Not that I know of.

Mr. CULLOP. Now, it is plain from this letter of the game warden that these birds and ducks go over into Canada, and the rich sportsmen of this country go over there during the summer months and have a good time hunting, while the poor fellow at home, because of this legislation, is denied that right. I think there is something in this contention in reference to it. They go over into Canada and spend the summer touring around a month or so enjoying themselves and killing the game that goes out of the United States, while the ordinary fellow in this country, on account of this legislation and who is not so well fixed financially, can not visit Canada and the northern part of the country, and hence has no opportunity to have his sport and kill game here at home. The same amount of game, it is claimed, is killed every year, but they go out of the country to kill it; but it is in all probability the same game that passes from this country into the northern country. Now, if this be true it would seem the legislation was enacted for the benefit of the rich and to the detriment of the poor. I am opposed to it.

Mr. LEVER. If the gentleman from Indiana will permit, as I said a moment ago, an appeal of this case is before the Supreme Court of the United States.

Mr. CULLOP. I would ask if the gentleman can give the title of the case? I do hope the decision of the lower court will be sustained, and let the poor hunter have a chance.

Mr. LEVER. I do not happen to have the title, but it is a decision of Judge Trevor, of Arkansas.

Mr. BARTLETT. I want to say that I put that decision in full in the Record last Congress when it was made.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BARTLETT. Mr. Chairman, I desire to be recognized. I desire to ask the gentleman if he can give me some information as to how much of the \$50,000 appropriated last year has been expended in the enforcement of this law up to this time?

Mr. MANN. The year is not up yet.

Mr. LEVER. It will be impossible to tell the gentleman how much we have spent of the \$50,000 up to this time.

Mr. MANN. We appropriated \$50,000 in the last bill.

Mr. BARTLETT. The House appropriated \$10,000 and the Senate made it \$50,000; and, as I recall, the \$50,000 at that time was all that the Department of Agriculture asked for and all they thought they could expend, but it was stated by the then Secretary of Agriculture, or the chief having in charge this provision, that they did not propose to endeavor to enforce the law and spend much money until the question had been decided as to the right of Congress to enact any such law; and, if I recall, the gentleman from South Carolina, the chairman of the committee, then stated that that \$10,000 was all that was needed and all that the department asked for, and, on account of the doubtful constitutionality of this law, the department did not think that they would spend it. However, it went over to the Senate and, with the same information, the Senate put it up to \$50,000; and it is important to know whether the department has spent the \$50,000, or calculates expending it, or again contemplates expending this sum.

Mr. LEVER. I would say to the gentleman it would be impossible for me to get the data he wants at my hand at the moment. I have no information at hand on that proposition.

Mr. MANN. They are spending money now.

Mr. BARTLETT. Oh, they can expend the money. They can throw it at the birds.

Mr. MANN. I thought the gentleman asked if they were doing it.

Mr. BARTLETT. I do not doubt that they will spend it if you give it to them.

Mr. MANN. Permit me to say that there have been a good many prosecutions brought under this law, and the Government has been successful in every case except the Arkansas case.

Mr. BARTLETT. I do not remember about that.

Mr. MANN. I read about the case officially the other day.

Mr. BARTLETT. Of course we have got to appropriate for this provision as long as it is the law.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. Oh, yes.

Mr. HAWLEY. Of the \$50,000, \$7,000 is expended here in Washington for necessary clerical services and other work and \$43,000 is expended for the hiring of persons, either alone or in

cooperation with associations in the States, for the protection of water fowl and game birds and insectivorous birds.

Mr. BARTLETT. The gentleman means it has been allotted by the Secretary of Agriculture to be expended?

Mr. HAWLEY. It is being expended now for this fiscal year ending June 30, 1915.

Mr. BARTLETT. I do not doubt but that he would expend twice as much if you gave it to him.

Mr. BARTON. Mr. Chairman, this law is supposed to be a national law, affecting all States alike. I would like to ask the chairman of the committee how it happens that in every State in the Union except three Southern States this law goes into effect on the 1st day of February? Why are the three Southern States excluded?

Mr. LEVER. I can not answer that question, because I do not know that it is a fact.

Mr. MANN. Oh, the law is in effect everywhere.

Mr. BARTON. I am so informed by the department.

Mr. LEVER. The chairman evidently has in mind something about the open and closed season?

Mr. BARTON. Yes; the open and closed season.

Mr. LEVER. That would be affected by the climate where they are.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Total for Division of Accounts and Disbursements, \$44,920.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. We have now come to the Division of Publications, and I think we shall be able to finish this bill easily on Thursday and then have some time to spare.

Mr. LEVER. If the gentleman will pardon me a moment, I suggest to the gentleman from Wisconsin [Mr. STAFFORD] that there is absolutely no change in the Division of Publications.

Mr. MANN. It will not take any longer Thursday than tonight.

Mr. LEVER. I am anxious to get to that Bureau of Crop Estimates.

Mr. MANN. Oh, I think the gentleman will be in great luck to get to the Bureau of Soils, on page 47. We are now on page 55, and we have read about 30 pages to-day.

Mr. LEVER. Will the gentleman give me five minutes? It remains five minutes until 6 o'clock.

Mr. MANN. I am going to make a point of no quorum.

Mr. LEVER. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. HAMLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 20415) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916, and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. CROSSER, by unanimous consent, was granted leave of absence indefinitely, on account of the serious illness of his father.

DIPLOMATIC AND CONSULAR APPROPRIATION BILL.

Mr. FLOOD of Virginia, by direction of the Committee on Foreign Affairs, reported the bill (H. R. 21201) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1916, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 1324), ordered to be printed.

Mr. MANN. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Illinois reserves all points of order.

HOOR OF MEETING ON THURSDAY.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that when the House adjourns to-morrow it adjourn to meet on Thursday at 11 o'clock a. m.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that when the House adjourns to-morrow it adjourn to meet at 11 o'clock Thursday morning. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of the ship purchase bill.

The SPEAKER. The gentleman from Tennessee [Mr. McKELLAR] asks unanimous consent to extend his remarks in the Record on the subject of the ship purchase bill. Is there objection?

There was no objection.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by having printed a speech delivered by Carl Schurz on peace and war.

The SPEAKER. The gentleman from Kentucky [Mr. BARKLEY] asks unanimous consent to extend his remarks by printing in the CONGRESSIONAL RECORD a speech made by Carl Schurz. Is there objection?

Mr. BORLAND. Mr. Speaker, it seems to me that speech must have been printed and pretty widely distributed years ago. I shall have to object to that.

Mr. BARKLEY. It is only a very short speech, Mr. Speaker, and it is not included in his printed speeches.

Mr. BORLAND. What is it about?

Mr. BARKLEY. Peace and war. It was made soon after the Cleveland Venezuela message.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, how long a speech is it?

Mr. BARKLEY. It would take about 10 minutes to read it.

Mr. MANN. That depends upon how fast a man talks. How much space would it take in the Record?

Mr. BARKLEY. It would not take more than half a page. I ran across it in a newspaper. It is not printed in the collected speeches, and it so impressed me that I would like to have it printed.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 19076. An act to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

ADJOURNMENT.

Mr. LEVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House adjourned until to-morrow, Wednesday, January 27, 1915, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting copy of communication of the Secretary of War submitting an estimate of deficiency in the appropriation for transporting and caring for interned Mexican soldiers and military refugees for the fiscal year ending June 30, 1915 (H. Doc. No. 1522), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. J. R. KNOWLAND, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 20977) to provide for the establishment of a life-saving station in the vicinity of Duxbury Reef, Cal., reported the same with amendment, accompanied by a report (No. 1323), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. BURNETT, from the Committee on Immigration and Naturalization, to which was referred the bill (S. 3419) admitting to citizenship and fully naturalizing George Edward Lerrigo, of the city of Topeka, in the State of Kansas, reported

the same without amendment, accompanied by a report (No. 1321), which said bill and report were referred to the Private Calendar.

Mr. WITHERSPOON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 18174) to transfer Capt. John Calvin Leonard from the retired to the active list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1322), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 20261) granting a pension to James G. Caldwell, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GALLIVAN: A bill (H. R. 21183) to amend section 212 of the Penal Code; to the Committee on the Post Office and Post Roads.

By Mr. TEN EYCK: A bill (H. R. 21184) to increase the limit of cost of the United States post-office building and site at Cohoes, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. BARNHART: A bill (H. R. 21185) authorizing the Secretary of War to donate condemned cannon and cannon balls; to the Committee on Military Affairs.

By Mr. FLOOD of Virginia: A bill (H. R. 21201) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1916; to the Committee of the Whole House on the state of the Union.

By Mr. GITTINS: Concurrent resolution (H. Con. Res. 59) authorizing the President to invite the nations of the world to participate in a conference; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNHART: A bill (H. R. 21186) to remove the charge of desertion from the military record of George W. Philpott and to grant him an honorable discharge; to the Committee on Invalid Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 21187) granting a pension to Maggie Little; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 21188) granting a pension to Abraham Branadum; to the Committee on Invalid Pensions. Also, a bill (H. R. 21189) granting a pension to Henry Steinmetz; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 21190) granting an increase of pension to Benjamin N. Trout; to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 21191) granting an increase of pension to Savilla Milligan; to the Committee on Invalid Pensions.

By Mr. HART: A bill (H. R. 21192) for the relief of the Orvil Cooperative Building & Loan Association; to the Committee on Claims.

By Mr. MAHAN: A bill (H. R. 21193) granting a pension to Charles C. Dougherty; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 21194) granting a pension to John C. Brewer; to the Committee on Pensions.

Also, a bill (H. R. 21195) granting a pension to Mary White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21196) granting an increase of pension to Sherman L. Abbott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21197) granting an increase of pension to Henry W. Batsford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 21198) granting an increase of pension to William E. Stuke; to the Committee on Invalid Pensions.

By Mr. CONNOLLY of Iowa: A bill (H. R. 21199) granting a pension to Lilla Riley; to the Committee on Invalid Pensions.

By Mr. THOMPSON of Oklahoma: A bill (H. R. 21200) quieting and confirming the title of the Methodist University of Oklahoma in and to certain tracts of land located in the city of Guthrie, Okla.; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of Mississippi Choctaw Indians, favoring the passage of House bill 19213, for

the relief of Mississippi Choctaw Indians; to the Committee on Indian Affairs.

Also, petition of A. B. Wiltse, Ritzville, Wash., relative to fourteenth amendment to the Constitution; to the Committee on the Judiciary.

By Mr. ALLEN: Petition of Cincinnati (Ohio) Branch, National German-American Alliance, favoring embargo on contraband of war; to the Committee on Foreign Affairs.

Also, petition of Louis Brickenberger and other citizens of Hamilton County, Ohio, against prohibition in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BAILEY: Petitions of Otto Pippart, Martin Rosch, Adam Buckreis, C. J. Pfeffer, C. E. Lamade, Michael Foeldery, George Pielmeier, George A. Scheeler, Carl Willnecker, H. Sabathne, K. Kumpf, John C. Schomberg, George Breisacher, Edward A. Gromiller, Matthew Hauser, Karl Wolke, Francis Weidlich, Richard Siegel, Peter Bey, George Schotttdorf, George Nickola, Adam H. Brede, Joseph Murl, August Hauser, August Noll, George Funk, John Gieg, Fred Apple, Louis Wiesinger, Albert Staerk, Adolph Koehle, Adolph Benzel, Fred Nickola, John B. Ritter, Hugo Weissflog, Robert Schroeder, Adam Schauer, Jacob Haller, John George Schmidt, and Anton Steckeler, all of Altoona, Pa., for the enactment of legislation prohibiting the exportation of arms and munitions of war; to the Committee on Foreign Affairs.

Also, petition of Italian Protective Association of Westmoreland County, Pa., protesting against passage of the immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Local Union No. 472, United Mine Workers of America, favoring passage of the Kern-Foster bill; to the Committee on Mines and Mining.

By Mr. BEAKES: Petitions of Woman's Literary Club, First Baptist Church, First Presbyterian Church, Methodist Episcopal Church, Woman's Christian Temperance Union, First Church of Christ (Scientist), Markham Air Rifle Co., Daisy Manufacturing Co., and 9 citizens, all of Plymouth, Mich., protesting against the shipment of American horses to countries now at war; to the Committee on Foreign Affairs.

Also, petitions of Fred Engel, president, and Joachim Schwiager, secretary, Arbeiter Bund of Dundee; Rev. F. Bauer and 45 citizens of Riga; J. Fred Schaeberle and 37 citizens of Ann Arbor, all of the State of Michigan, in opposition to the shipment of arms to foreign countries; to the Committee on Foreign Affairs.

By Mr. CALDER: Petition of Board of Aldermen of New York City, favoring S. 3672, providing for exchange between Federal Government and State of New York for certain waterways; to the Committee on Rivers and Harbors.

By Mr. CARR: Memorial of St. Kagimier Society, of Windber, Pa., protesting against immigration restrictions; to the Committee on Immigration and Naturalization.

By Mr. CURRY: Memorial of Board of Supervisors of Solano County, Cal., favoring old-age retirement of superannuated civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. DILLON: Petition of citizens of South Dakota, favoring bill to prohibit export of arms; to the Committee on Foreign Affairs.

By Mr. EAGAN: Petitions of John Sul, of Hoboken, and William Biskorcsany, of Guttenberg, N. J., favoring passage of House joint resolution 377, to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. ESCH: Memorial of directors of the Racine (Wis.) Commercial Club and directors of the Racine (Wis.) Retail Merchants' Association, asking that combined passenger and package freight steamers on the Great Lakes be exempted from the provisions of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

Also, petition of C. F. Pfefferkern and 63 other citizens of Elroy, Wis., favoring passage of resolution to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. GALLIVAN: Memorial of citizens of Massachusetts, protesting against the passage of the Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. GITTINS: Petition of citizens of Niagara Falls, N. Y., favoring bill to improve the Harlem River; to the Committee on Rivers and Harbors.

By Mr. GUERNSEY: Petition of sundry citizens of Lewiston, Me., favoring passage of House joint resolution 377, to prohibit the export of war material; to the Committee on Foreign Affairs.

By Mr. KEISTER: Petition of Polish National Glini, of Mount Pleasant; Polish Lodge, Z. N. P. of Jeannette; St. Joseph's Society, Lodge 88, Polish Alliance; St. Stanislaus Lodge, B. & M., 364; Society of Goral Polish, all of Mount

Pleasant; Branch 1380 of the National Polish Alliance, and United Groups of the National Polish Alliance, of Jeanette; H. M. B. Stanislaus Group, No. 1143, of Forbes Road; National Polish Alliance, No. 791, of East Vandergrift; 78 members Knights of the White Eagle, of Mount Pleasant; and National Polish Alliance of Monessen, all in the State of Pennsylvania, against Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. KONOP: Petition of Carl Hermann and other citizens of Oconto, Lawrence, and Brown Counties, and citizens of Marinette, Wis., favoring resolution to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. LONERGAN: Petition of John Gwozdz, Thompsonville, Conn., relative to Smith-Burnett Immigration bill; to the Committee on Immigration and Naturalization.

By Mr. MCGILLICUDDY: Petition of National German-American Alliance, of Lewiston, Me., favoring the prohibition of the sale and export of munitions of war; to the Committee on Foreign Affairs.

By Mr. MAGUIRE of Nebraska: Petitions of sundry citizens of Plattsmouth, Elmwood, Alvo, Greenwood, and Murdock, Nebr., favoring passage of House joint resolution 377, to prohibit the export of war material; to the Committee on Foreign Affairs.

By Mr. MAHER: Petition of Board of Aldermen of New York City, favoring S. 3672, providing for exchange between Federal Government and State of New York of certain waterways; to the Committee on Rivers and Harbors.

By Mr. MILLER: Petitions of sundry citizens of Littlefork and Hibbing, eighth district of Minnesota, favoring bill to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. MOTT: Petition of National German-American Alliance, of Oswego, N. Y., favoring passage of House joint resolution 377, to prohibit export of war material; to the Committee on Foreign Affairs.

Also, petitions of citizens of Cazenovia, N. Y., relative to world federation for the adjudication of international disputes; to the Committee on Foreign Affairs.

Also, memorial of branch of the Polish Alliance of America, Oswego, N. Y., protesting against the literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. REILLY of Connecticut: Petition of citizens and organizations of Connecticut, against literacy test in immigration bill; to the Committee on Immigration and Naturalization.

By Mr. ROUSE: Petitions of 305 and more citizens of Kentucky, favoring resolution to prohibit export of war material; to the Committee on Foreign Affairs.

By Mr. SABATH: Memorial of sundry societies of Chicago, Ill., favoring House joint resolution 377, to prohibit the export of war material; to the Committee on Foreign Affairs.

Also, memorial of St. Samalaw Br My Society and Pulaski, Washington, and Kosciuszko Society, of Chicago, Ill., protesting against the passage of the Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. TOWNSEND: Petitions of the Eleventh and Fifteenth Ward Branch, Socialist Party, Newark, N. J., protesting against treatment of striking workmen at Roosevelt, N. J.; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petitions of citizens of Cohocton, N. Y., favoring passage of bill to prohibit export of war material; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, January 27, 1915.

(Legislative day of Tuesday, January 26, 1915.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Overman	Smith, Mich.
Bankhead	James	Page	Smoot
Bryan	Jones	Perkins	Stone
Catron	Kenyon	Pittman	Thornton
Chamberlain	Kern	Ransdell	Tillman
Clapp	La Follette	Root	Townsend
Culberson	Martin, Va.	Saulsbury	Vardaman
Dillingham	Martine, N. J.	Shafroth	White
Fletcher	Nelson	Sheppard	Williams
Gallinger	O'Gorman	Sherman	

Mr. JAMES. I was requested to announce that the Senator from South Carolina [Mr. SMITH] is detained from the Senate on account of illness in his family.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. HARDWICK, Mr. HOLLAS, Mr. LANE, Mr. McLEAN, Mr. REED, Mr. SHIELDS, Mr. THOMAS, and Mr. THOMPSON answered to their names when called.

Mr. SMITH of Arizona, Mr. SMITH of Georgia, Mr. McCUMBER, Mr. BRADY, and Mr. NORRIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present.

PENSION BILLS.

Mr. SMOOT. Mr. President, I ask unanimous consent that we may take up the bills granting pensions and increase of pensions to certain soldiers and sailors of the Civil War. I will state to the Senator from Florida [Mr. FLETCHER] there are only about a half dozen of those bills on the calendar, and it will not take very long to pass them. I believe that this would be a very good time to take them up, if there is no objection. Some of them are Senate bills and I know the other House is waiting to make up an omnibus pension bill, and they ought to be given an opportunity to do so in order that they may be passed upon at this session of Congress. I ask the Senator if he will not allow this to be done. I do not mean general legislation, but simply the bills granting pensions and increase of pensions to the soldiers and sailors.

Mr. SMITH of Arizona. Not to affect the status of the pending bill.

Mr. SMOOT. Not to affect the status of the pending bill, of course.

Mr. FLETCHER. Mr. President, I would not like to do that now. I think it is very important that we should proceed with the pending bill. The Senate yesterday did not sit as many hours as it might have done, and I hope the Senator from Utah will not ask me to yield now. One thing leads to another and we do not know how much time we would lose. I feel constrained to object at present. It may be that at some later time we can arrange it.

Mr. SMOOT. Would the Senator object to simply taking up the Senate pension bills at this time so that they can be sent to the other House?

Mr. FLETCHER. I do not feel justified in consenting to any variation from the regular order at this time. I am sorry, but I must ask for the regular order.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (S. 5614) for the improvement of the foreign service.

THE MERCHANT MARINE.

Mr. GALLINGER. I ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, Senate bill 6856.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. GALLINGER. Mr. President, when I yielded the floor on yesterday for a motion to go into executive session I was presenting the report of the directors of the Boston Chamber of Commerce, one of the most instructive documents that has been issued on the subject now before the Senate. Before concluding the reading of the report I beg to inquire what the question before the Senate is at the present time.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts [Mr. LODGE] to the original bill.

Mr. GALLINGER. I ask that the amendment be read, as I may want to address myself to it.

The VICE PRESIDENT. The Secretary will read the amendment.

The SECRETARY. It is proposed to add to the bill the following proviso:

Provided, That no vessels shall be purchased under this act which are the property, in whole or in part, of or which are in any manner controlled or subsidized by any of the nations now at war, nor shall